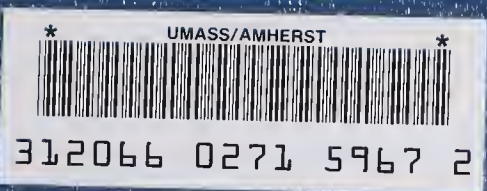


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# MUNICIPAL Impact

January

Executive Office of Communities and Development

William F. Weld, Governor

Steven D. Pierce, Secretary

James R. Malone, Assistant  
Municipal

## Changing Local Government: Strategies for Success

Massachusetts municipalities adopted structural and management change strategies throughout the 1980s. The need to streamline the municipal organization, eliminate duplication, encourage coordination, and increase management capacity were among the factors influencing charter and special act adoption. Town management, local planning positions, increased use of data processing, department consolidation, and growth in organizations served by municipal professionals.

Division of Municipal Development (DMD) aided these efforts through providing technical assistance, developing publications, conducting workshops, and administering the state's first management improvement grant program, the Incentive Aid Program (IAP). Although the IAP was discontinued in 1990, many of the positions funded and improved management practices adopted as a result of this program continue to benefit many

of the Commonwealth's communities.

The following is an overview of selected organizational and management activity where DMD has assisted local leaders in planning and implementing change.

### Home Rule Charter Adoption

Twenty-four home rule charters have been adopted in the past ten years. Nine of these charters—for Barnstable, Easthampton, Falmouth, Grafton, Harwich, Norton, Orleans, Webster, and Winchendon—created a professional management position to handle the town's daily operations, such as purchasing, personnel management, department coordination, financial planning, grant preparation and contract oversight. In the other home rule charters adopted in this decade, the existing management position was redefined to increase the responsibili-

ties of the role. For example, Dracut and Chelmsford changed the title of the position from "executive" to "town manager" to reflect the greater authority of the position.

DMD provides ongoing support to charter commissions throughout their deliberations, providing background information on trends in charter adoption, reviewing the merits of the Home Rule Amendment and the Home Rule Procedure, answering questions on charters and options, and sponsoring charter adoption to interested municipal and civic groups.

### Charter Adoption

Several communities filed a home rule petition with the state to change the form of local government, create a town management position, and/or modify existing management practices. For example, Weymouth and Ashburnham created a sole administrator government, retaining the open town meeting as the legislative body. Duxbury and Weymouth gained the manager position, assigning specific duties and responsibilities for the position. Communities undertaking such efforts included Tewksbury, Weymouth, and Hull. Sheffield, Ashburnham, and Hull had received assistance from EOCD's Incentive Aid Program to conduct town government studies that led to the special act preparation.

### Creating a Management Position

Charter of  
Municipal  
Government

Dear *IMPACT* Reader:

EOCD's Division of Municipal Development (DMD) has worked closely with many elected and appointed municipal officials to fulfill management, planning, and development objectives. As we begin the new administration and welcome Secretary Steven Pierce to EOCD, we are highlighting in this issue some of our key programs and technical assistance services. We are involved in many diverse activities supporting local government, including:

- land use planning;
- municipal management;
- downtown revitalization;
- growth management; and
- community and economic development.

This issue of *Municipal IMPACT* provides an overview of these functions and features recent endeavors illustrating our close working relationships with cities and towns throughout the Commonwealth.

DMD

local vote; 34 of these positions were established with the support of the Incentive Aid Program, which provided partial funding over a three-year period. As this article is being prepared, 27 of these Incentive Aid-funded management professionals are still being supported with local funding.

The onset of Proposition 2½ was one of the initial catalysts for communities to examine management needs and explore options for more effective resource allocation. Creating a management position, while requiring an initial new investment, was seen as one avenue to control costs, improve efficiency, and maintain good services. Many of these new managers were instrumental in helping communities to control insurance costs, develop standard personnel bylaws, increase participation in state grant programs, and improve contract preparation and monitoring. Another important function continues to be providing a local government "voice" in the many regulatory and programmatic interactions municipalities have with state and federal government.

As the 1980s began, it was estimated that 30 percent of the Commonwealth's communities had professional management assistance. Local initiative, in many instances supported by Incentive Aid Program funding, has led to a significant increase in the local management profession in Massachusetts.

### **Circuit Rider Initiative**

Since its inception in 1979 as a pilot program, 48 towns under 5,000 population have participated in DMD's Circuit Rider program, supporting a shared administrative assistant to perform management duties for two to three towns. The usual practice was for towns interested in forming a circuit rider consortium to contact DMD for both financial support (provided through the Incentive Aid Program from 1984 to 1990) and technical assistance. DMD staff aided these communities in preparing a memorandum of understanding establishing the consortium, helping the selectmen to define the duties of the position, recruiting and interviewing candidates for the position, and periodically evaluating the shared arrangement.

The Circuit Rider initiative had sev-



*EOCD-sponsored training for municipal officials*

eral different outcomes: nine of the participating towns subsequently created a full-time management position, another four communities created individual part-time positions, and 14 towns remain in a shared arrangement. Participating communities are in central and western Massachusetts.

### **Establishing Local Planning Positions**

The Incentive Aid Program also assisted in the creation of 34 planning positions; nine of these were shared among two or more towns. Land use planning became increasingly important in the 1980s for both municipalities and regions. Planning services extended beyond traditional zoning and master plan functions to encompass traffic mitigation, coordination of transit services, the local role in siting affordable housing, natural resource protection strategies, and reviewing the impacts of multi-use developments. Planners also assisted their communities with participation in and response to state and regional planning initiatives, notably the Cape Cod Commission, the state's Special Legislative Commission on Growth and Change, and the Massachusetts Housing Partnership.

### **Increased Utilization of Data Processing**

More municipalities purchased computer hardware and software to assist with financial management,

record-keeping, reporting, and planning functions. Smaller towns benefited from the introduction of software programs suitable for microcomputers, with over 1,000 micros in municipal use (result of 1988 survey conducted for EOCD). Data processing functions grew to include public works project scheduling, pavement repair and replacement programs, police and fire incidence reporting, and the establishment of regional networks by municipal library consortia. Significant activity in computer purchases took place between 1986 and 1989, with 67 communities reporting installation of central computer systems in this time frame. This growth over a *three-year* period contrasts with the purchase of 65 systems during the prior *ten* years. The Incentive Aid Program provided assistance to over 50 communities in assessing data processing needs, developing software packages, and supporting training activities.

### **Department Consolidation**

Several communities undertook the task of reorganizing public works functions, often combining several operations, e.g., water and sewer commissions, highway department, and cemetery commission, into a unified department of several divisions under an appointed public works director. Some towns included consolidation provisions in their home rule charters, while several others, including Adams, Duxbury, Tisbury, Upton and Wilbraham, petitioned the state legislature for

a "special act" allowing the consolidated arrangement. The town of Hanover was the first to adopt the consolidation option provided in G.L.M., c. 43C, creating a finance department by acceptance of the state statute and adoption of a local bylaw. Chapter 43C also provides the opportunity to create consolidated departments for community development and for municipal inspection functions. This legislation was proposed by EOCD to support local efforts in streamlining department operations.

## Growth in Municipal Organizations

As local government functions become more complex, exchange of ideas and successful practices among municipal professionals has increased. Several groups were organized during the 1980s, assisted in part by funding from the Incentive Aid Program and DMD technical assistance. The Small Town Administrators of Massachusetts (STAM) was an outgrowth of the support network for circuit riders which DMD had encouraged in the initial years of the Circuit Rider initiative. Other activities receiving assistance from DMD included the formation of the Massachusetts Government Finance Officers Association (MGFOA) and the development of a comprehensive handbook for the Massachusetts Society of Municipal Conservation Professionals. These organizations serve the training and information needs of their members, as well as increase local understanding of their responsibilities in ensuring effective and responsive municipal government services.

DMD looks forward to continuing its work with municipal leaders, civic and professional organizations seeking to strengthen the municipal organization and enhance local management. We urge local officials to contact DMD's Office of Planning and Management, EOCD, 100 Cambridge Street, Boston, MA 02202, telephone: (617) 727-3253 or (617) 727-3197 for additional information on our services. ■

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## Workshop Held on Municipal Tax Agreements

The Massachusetts Government Finance Officers Association (MGFOA) recently held a workshop for local finance officers on negotiating payment-in lieu-of-tax (PILOT) agreements with tax-exempt organizations. One highlight of the workshop was the distribution of a new handbook, "Negotiating PILOT Payments," prepared by the City of Newton. Both the workshop and the handbook were cooperative efforts of EOCD and the MGFOA.

At the workshop, PILOT agreements were reviewed in detail. Boston has the most experience with PILOT arrangements; approximately 50 percent of the state total of \$40 million received in PILOT payments is generated by the city. The city negotiates PILOT agreements by reconciling the cost of the city services to the tax-exempt institution with the benefits the city's residents receive from the institution. Most of these institutions rely on the city for basic police and fire protection, roads and traffic control. While most tax-exempt entities negotiate a cash PILOT payment with the city, several offer in-kind services benefitting city residents as the "payment." The major criteria considered when negotiating a PILOT agreement include:

1. the cost of providing municipal services to the tax-exempt property;
2. its taxable value (representing lost property tax revenue);
3. consideration of the public benefits provided by the institution; and
4. the institution's revenue-producing capabilities.

Boston's PILOT agreements usually provide for two equal payments of the negotiated amount, due November 1 and May 1. Boston's Assessing Department sends reminder notices regarding payment due approximately one month in advance of the payment date.

Chapter 121A agreements are, in effect, a PILOT for development projects meeting certain criteria. The imposition of Proposition 2½ negated the value of the minimum excise established in Chapter 121A, making this



*EOCD Assistant Secretary James Malone addresses PILOT workshop.*

arrangement less attractive to developers. Chapter 121A needs updating to reflect the lower tax rates resulting from the application of Proposition 2½ in order to reactivate the tax incentive Chapter 121A was intended to provide.

Another revenue source for communities are fees charged by planning boards; state legislation allows the board to retain such fees for "carrying out its responsibilities under the law." Planning boards are charging these fees in order to analyze the service and infrastructure impacts of new developments. Boards with regulations requiring site plan and special permit reviews can establish a fee schedule with sufficient levels of review activity dependent upon the development proposal. Fee and charge income is becoming increasingly important for Massachusetts municipalities, given current constraints on the property tax and lower estimates for auto excise receipts.

Thus, communities may want to examine the benefits of both PILOT agreements and the institution of review fees for adding to the municipal revenue base. Copies of the handbook, "Negotiating PILOT Payments," may be obtained from the Office of Planning and Management, EOCD, 100 Cambridge Street, Boston, MA 02202, telephone: (617) 727-3253 or 1-800-392-6445. ■

## Acting Locally, Thinking Globally

What do downtown revitalization, planning, infrastructure improvements, business development, and community development—the traditional activities of EOCD's Division of Municipal Development—all have in common? They can all be used to implement the new and internationally recognized concept in planning and economic development—"sustainable development."

As a basic tenet, sustainable development recognizes that we must preserve the capacity of the earth to evolve, by managing our social and economic activities for the benefit of present and future generations. It incorporates, as essential principles, resource management (i.e., utilize resources only on a sustainable basis, not on a "use until it runs out" basis), waste management (i.e., reduce, then reuse and recycle), and conservation. This approach to development has arisen from international dialogue on hazardous waste, chlorofluorocarbon (CFC) emissions, and global warming.

Nationally, many city and town leaders are realizing the key role that localities play in encouraging sustainable development—that they should "think globally, act locally." They have also noted the key connection among sustainable development globally, local "green" policies, and the benefit to local residents. The City of Newark, N.J., is perhaps the national leader in recognizing how global concerns interact with local ones and that "the same tactics that will mitigate the effects of global warming are also mitigating those blights and making (Newark) a better place to live." Newark has aggressively undertaken recycling to save resources and city dollars, and prevent litter in urban neighborhoods. They also pioneered an ordinance to limit CFC emissions from local factories.

Locally, the City of Newton has probably moved furthest in this direction. Newton has undertaken traditional environmental programs such as installing new energy saving lighting in city hall, tree planting, and curbside recycling. The city is also working with local retailers to encourage the "green aisle" concept. Utilizing this idea, stores feature in one place products



*Contractor readies site for Orange/Wendell recycling project, funded by Small Cities Special Round.*

that have less impact on the environment—for example, those made with less packaging or of recycled materials. Most notably, the city produced a "green pages" directory which was mailed to every household in the city detailing how to be a responsible citizen and consumer through recycling, home product care and maintenance, and other areas. For example, local shops which service auto air conditioners without releasing ozone-destroying CFCs are listed.

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### **Municipalities use EOCD resources for sustainable development projects**

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The resources of the Executive Office of Communities and Development have been used effectively by municipalities to undertake sustainable development projects. Of the more than 200 studies funded by the Strategic Planning Program, many studied natural resource protection, open space planning, and growth management, including the North Shore Water Supply Protection Study and a study of farmland and forest preservation techniques. These studies are available in EOCD's library for others to use as references, and planning staff can provide technical assistance on many of these issues.

The federal Small Cities Community Development Block Grant (CDBG) Program operated by EOCD has been used for many sustainable develop-

ment activities. A Special Round held in 1989 funded two municipal-level recycling facilities in western Massachusetts, where separated household recyclables will be collected and prepared for shipment to a reprocessor. The agency's business loan program, the Economic Development Set-Aside Program, has financed photovoltaic and plastic recycling businesses, and expects to finance similar activities in the future. The Special Round and the General Fund have used CDBG funds to plant many street trees and make improvements to parks in neighborhoods and downtowns.

Energy conservation and weatherization are eligible CDBG activities. Some housing rehab programs have focused on weatherization and heating system improvements, and on septic system improvements and replacements. Neighborhood water and sewer lines have also been constructed to improve water quality and reduce pollution from failed systems. Municipalities which meet the low/moderate income eligibility requirements of the program on a town-wide basis can prepare energy studies with CDBG planning funds. Finally, an eligible municipality can also produce a local green pages using the 15 percent of a grant allowed for public service activities, when undertaking a relevant major infrastructure project.

As the experiences in Newark and Newton demonstrate, development and "greening" activities which provide benefits on a global basis also pro-

vide enormous improvements in the quality of life locally in the lower income neighborhoods of our urban and rural communities. Many municipalities are also rediscovering that recycling, energy conservation, and even the planting of street trees to reduce summer cooling costs can save significant money in municipal budgets. ■

## Maintaining State-Local Dialogue: The Importance of the LGAC

The Local Government Advisory Committee (LGAC) serves as a dynamic forum for state-local exchange via monthly meetings held by representatives of the Massachusetts Municipal Association (MMA), (mayors, councillors, selectmen, managers, and finance committee members), the Massachusetts Association of School Committees (MASC), the Governor, and the Secretary of the Executive Office of Communities and Development (EOCD). Throughout the LGAC's 14-year history, EOCD's Division of Municipal Development (DMD) has performed several critical roles:

**Research and analysis of issues under discussion:** DMD staff has developed an extensive understanding of the many interactions between state and local government. The need to understand laws and regulations in areas as diverse as public health, workers' compensation, insurance, code enforcement, public works funding and education policy has engaged DMD staff in working with other state agencies and LGAC members to examine current practices, explore alternatives, and propose solutions cognizant of local and state agency needs.

Such activity is beyond the usual realm of local management, planning, and community and economic development that are the primary responsibilities of DMD. In recent years, DMD has also worked with the Governor's Office of Federal-State Relations to inform local officials of actions being taken by the federal government which affect cities and towns. Such issues have included emergency prepared-

ness and response guidelines, implementation of the Fair Labor Standards Act, and the provisions of recent tax reform legislation.

**Liaison with MMA and MASC:** DMD serves as a conduit for the membership organizations to propose items for the LGAC agenda, request participation of other state administration officials, and present analysis and recommendations for the Governor's consideration. This role also involves anticipating the questions local officials will have on issues under discussion, and assuring that the most accurate and timely information is available for each meeting.

**Meeting follow-up:** Many issues raised at the LGAC serve as a springboard for the formation of working groups to explore questions raised and report back to the LGAC at a later date. The EOCD Secretary often serves as the organizer for such efforts, convening meetings of affected interests and agencies, disseminating research materials, and aiding in the development of reports back to administration officials and the Governor. DMD staff has served on several of these groups, including the Special Task Force on Chapter 766 requirements convened in

1989, and the inter-agency working group for the creation of the Massachusetts Water Resources Authority (MWRA) in 1984. EOCD's involvement in these areas is facilitative, as well as substantive, by guaranteeing municipal involvement and raising issues affecting local leaders which require a state response.

The LGAC was one of the first such intergovernmental forums, which now operate in 25 other states; DMD staff regularly receive inquiries from other states asking how the LGAC was formed and what kinds of issues it has addressed. First organized in 1976 by gubernatorial executive order, the LGAC was given statutory authorization and its membership expanded to include school committee members in 1981. The purpose of the monthly meetings is to assure that communication between the two levels of government continues with mutual trust and respect for the shared needs and interests of both. Opportunities for collaboration and cooperation are encouraged.

DMD looks forward to maintaining its working relationship with the MMA and MASC in assuring that the LGAC continues to serve as a primary forum for state-local policy dialogue. ■

## Downtown Resource Center

EOCD's Massachusetts Main Street Center has compiled an extensive information base during the ten years it has served the numerous cities and towns in the Commonwealth which operated Main Street programs. These reports, clippings and articles are on topics related to downtown revitalization and development which include the following:

- sign ordinances and guidelines
- facade design standards
- design guidelines
- rehab/renovation materials and sources
- sample market analyses for downtowns
- organizing business seminars
- downtown loan programs
- downtown promotions
- parking
- fundraising
- video tapes on organizing for downtown revitalization

The center is continually updating and adding information. These resources are geared toward small to medium size towns, although there is much valuable information for larger communities. Interested people from municipal governments and downtown organizations throughout the Commonwealth are invited to utilize these resources. For information on specific topics or to make an appointment to visit, please contact the Massachusetts Main Street Center, (617) 727-7180. ■

# EOCD Announces Federal Small Cities Awards

The Executive Office of Communities and Development has awarded over \$23 million in federal Community Development Block Grant (CDBG) monies through its Massachusetts Small Cities Program General Fund. These grants were awarded to 40 lead communities for various activities to address the needs of low- and moderate-income persons in 56 cities and towns in the Commonwealth.

A total of \$15,329,728 will be used for the rehabilitation of private residential property, and for funding and counselling assistance to first-time homebuyers; \$346,996 will help finance new signage, facade improvements and interior renovations to private commercial property; and \$229,000 will fund business loans. Communities will also receive \$3,948,480 for local infrastructure projects (e.g., streets, sidewalks, water and sewer lines and upgrades of drainage systems), and for rehabilitation or construction of neighborhood facilities such as senior centers. A total of \$1,331,593 will be used by the recipient communities to supplement the funding of social service providers whose resources have been greatly reduced and whose help is critically needed in these communities.

A portion of the funds (\$2,264,596) will also be utilized by the municipalities to administer the grants which will run for a period of 15 months.

Sixty-seven communities applied individually or jointly for the highly competitive General Fund of the Small Cities Program. These Community Development Block Grant Program funds are made available annually by the federal government through the Department of Housing and Urban Development and administered by EOCD.

The majority of the Small Cities Program allocation is made available through EOCD's General Fund by means of an annual request for proposal. In addition to the General Fund, the other components of the Small Cities funding are the Housing Development Support Program and the Economic Development Program, which includes the Economic Development Set-Aside

| MSCP GENERAL FUND AWARDS |           |                           |                         |                      |                    |
|--------------------------|-----------|---------------------------|-------------------------|----------------------|--------------------|
| Community                | Award     | Housing<br>Rehabilitation | Economic<br>Development | Public<br>Facilities | Social<br>Services |
| Adams                    | \$544,285 | •                         | •                       | •                    | •                  |
| Amesbury                 | \$800,000 | •                         |                         |                      | •                  |
| Amherst                  | \$297,392 | •                         |                         |                      | •                  |
| Ashfield*                | \$698,578 | •                         |                         |                      | •                  |
| Barre*                   | \$731,000 | •                         |                         |                      |                    |
| Beverly                  | \$728,839 | •                         | •                       | •                    | •                  |
| Blackstone               | \$675,000 | •                         |                         | •                    |                    |
| Bridgewater              | \$504,255 | •                         |                         |                      |                    |
| Chelsea                  | \$492,507 | •                         |                         | •                    | •                  |
| Chesterfield*            | \$652,113 | •                         |                         |                      | •                  |
| Dudley                   | \$506,491 | •                         |                         |                      |                    |
| Franklin                 | \$661,060 | •                         | •                       |                      | •                  |
| Gardner                  | \$601,915 | •                         |                         | •                    | •                  |
| Greenfield               | \$345,275 | •                         | •                       | •                    | •                  |
| Hull                     | \$437,340 | •                         | •                       | •                    | •                  |
| Huntington*              | \$711,170 | •                         |                         |                      | •                  |
| Marlborough              | \$646,162 | •                         |                         | •                    | •                  |
| Methuen                  | \$281,704 |                           |                         | •                    |                    |
| Milford                  | \$474,723 | •                         | •                       | •                    | •                  |
| Montague                 | \$800,000 | •                         |                         | •                    | •                  |
| North Adams              | \$799,520 | •                         |                         | •                    |                    |
| N. Brookfield*           | \$717,300 | •                         |                         |                      |                    |
| Northbridge              | \$436,364 | •                         | •                       |                      |                    |
| Orange                   | \$451,607 | •                         | •                       |                      | •                  |
| Palmer                   | \$454,545 | •                         |                         |                      |                    |
| Peabody                  | \$800,000 | •                         |                         | •                    | •                  |
| Plymouth                 | \$507,272 | •                         | •                       |                      | •                  |
| Provincetown             | \$540,117 |                           |                         | •                    |                    |
| Salisbury                | \$300,483 | •                         |                         |                      | •                  |
| Southwick                | \$582,059 | •                         |                         | •                    | •                  |
| South Hadley             | \$633,680 | •                         |                         | •                    | •                  |
| Wales*                   | \$670,779 | •                         |                         | •                    |                    |
| Ware*                    | \$800,000 | •                         |                         | •                    | •                  |
| Wareham                  | \$311,688 | •                         |                         |                      | •                  |
| Warwick*                 | \$718,988 | •                         |                         |                      | •                  |
| W. Springfield           | \$756,585 | •                         |                         | •                    | •                  |
| W. Stockbridge*          | \$563,730 | •                         |                         |                      | •                  |
| Williamstown*            | \$677,734 | •                         |                         |                      | •                  |
| Winchendon*              | \$439,481 | •                         |                         |                      |                    |
| Winthrop                 | \$491,152 |                           |                         | •                    | •                  |
| \$23,242,893             |           |                           |                         |                      |                    |

\* Lead community of a joint application.

(EDSA), Main Street, and Economic Development Feasibility Study Programs. Competition for these program funds is on an on-going basis.

If you would like more information on the General Fund or any of the

MSCP components, please contact the Massachusetts Small Cities Program, EOCD, 100 Cambridge Street, Room 1804, Boston, MA 02202, (617) 727-0494.



# Municipal Division Continues Its Work with Small Towns

An important link between the Division of Municipal Development and its municipal management assistance to small communities is the Small Town Administrators of Massachusetts (STAM) organization. STAM was originally created with EOCD assistance as a support network for the Circuit Rider Program. Circuit riders, or shared administrative assistants, were funded through EOCD's Incentive Aid Program to provide professional management assistance to two or three small towns (population under 5,000) on a shared basis. Incentive Aid funding also enabled many of these professional managers to attend workshops and receive training; in turn, the information and training materials were shared at monthly meetings attended by other small town administrators.

Recently, a conference planning committee of STAM members and DMD staff developed the workshop, "Building a Better Budget: A Conference for Small Towns." The event was held on a Saturday in November and was attended by 85 participants representing more than 50 small towns.

The goal of the workshop was to help municipal officials improve their budget management process—from information gathering prior to budget preparation, to its passage at town meeting, and including Proposition 2½ override issues. The importance of cooperation in achieving the common goal of a "better budget" was stressed throughout the day-long program.

Common issues which had been identified through a series of Incentive Aid grant reports on budget and finance, and which contribute to problems during the budget process were presented at the opening session. They included:

- duplication of efforts by local boards, commissions and departments due to a fragmented organizational structure;
- the absence of strategic financial planning, due in part to poor communication among budget preparation participants; and
- the lack of a capital budget prioritization process.

In addition to addressing these issues, the workshop panelists stressed the need for a common data base, with all town departments using the same

demographic information as the basis for future planning. (Each panel included a selectman, finance committee member, municipal administrator and staff from the Department of Revenue and the Executive Office of Communities and Development.)

One mechanism discussed for dealing with uncertainty regarding available revenue is to have each department put together budgets for varying levels of service (i.e., from elimination of the service to service expansion). For each level of service, a description of the costs, benefits, and related problems or advantages would be provided. For example, although eliminating road patching may save money in the short run, the town might risk liability or "benign neglect" suits due to poor road conditions. The long-term consequences might be that roads would have to be totally rebuilt rather than reoiled or resurfaced.

There was also general consensus that a successful, cooperative budget process starts months before town meeting. Frequent policy discussions, led by the selectmen in consultation with all departments, including the schools, was recommended. Also, the process should guarantee that everyone shares relevant information, including status of revenue collections, timing of expenditures, unforeseen emergencies, etc.

At this point, one set of common priorities for the town would be developed for the year, and the levels of service for each department selected. The budget developed and presented to town meeting would also include contingencies should state aid or other

revenues be substantially different than projected.

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## DOR provided locals with a "fiscal snapshot" of their communities

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Workshop panelists from the Department of Revenue reviewed the implications of Proposition 2½ and explained the difference between the levy ceiling and the levy limit, as well as the various types of overrides and their impact on the levy limit. They also went through a worksheet designed to help selectmen and others involved in budget preparations project what the levy limit would be for the coming year. Each participant was provided with a "fiscal snapshot" developed from the Municipal Data Bank for his/her town. The information included specific historical expenditure and revenue information, a municipal profile, and comparison information on communities with similar characteristics.

EOCD's Municipal Division, together with the Small Town Administrators of Massachusetts, has designed this and other workshops to assist town administrators and officials in dealing with municipal management issues, particularly as they relate to smaller communities. In addition to its advisory role with STAM, EOCD's municipal management staff serve as a resource to administrators of small towns across the state on a variety of personnel, organizational structure, budget/finance and other issues. ■



*Small town administrators at "Building a Better Budget" workshop.*



*The downtown of a Massachusetts Main Street community.*

## CDBG Funds Focus on City and Town Needs

Federal Community Development Block Grant (CDBG) funds are available to communities throughout the Commonwealth to undertake a wide variety of community and economic development activities. Program activities primarily include projects which provide direct benefits for citizens and community capital improvements.

Massachusetts (and most Northern states) has targeted CDBG funds for improvements to our older housing stock, creating and retaining affordable housing units; assisting business start-ups and expansions to foster job creation; reconstructing aging infrastructure; providing community facilities such as multi-service and day care centers; and fostering social/public service activities such as literacy development, homeless prevention services, elderly services and substance abuse counseling.

The U.S. Department of Housing and Urban Development (HUD) directly administers CDBG funds for 33 "entitlement" cities and towns in Massachusetts. All other municipalities are eligible to compete for CDBG resources from EOCD's Massachusetts Small Cities Program (MSCP).

CDBG funds are available through

EOCD to cities and towns on a competitive basis through three program components: the General Fund, the Economic Development Program and the Housing Development Support Program. Approximately \$24 million has been available for these program components annually. Recent congressional legislation has reauthorized the CDBG program for three additional years.

Competition for these CDBG dollars is keen, with a majority of resources targeted to communities which have significant low- and moderate-income populations or activities which will benefit such households.

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### CDBG technical assistance available

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EOCD's Municipal Division provides technical assistance to municipalities in identifying community development needs which can be addressed through a CDBG project. For example, communities facing issues relating to downtown development and revitalization may seek technical assistance and a three-year grant through the Main Street Center, under the Economic

Development Program component. EOCD staff holds initial meetings with local business and community leaders to explain this comprehensive approach to downtown revitalization, to identify downtown issues, and to assess the needs and organizational capacity of the community. Communities are provided assistance in the application process and throughout the three-year program to achieve their downtown revitalization goals.

Prior to submitting site-specific projects which can be funded through the Housing Development Support Program (HDSP) and the Economic Development Set-Aside (EDSA) Program, potential applicants are encouraged to work with Municipal Division staff. Staff knowledge of federal and state policies and regulations and technical expertise in business finance and housing development are available to municipalities.

The Division of Municipal Development encourages communities to utilize its staff in helping to identify a community's present needs and future development plans. Staff is available to answer questions, provide guidance, make site visits to the community and discuss ideas for future applications for funding.

## Components of a successful project

Once awarded, however, a successful project is dependent upon several critical elements. Perhaps the most important factor is the municipality's commitment to community development. Other factors which contribute to a successful project are the following.

- A program design must meet a national federal objective, specifically address identified needs and be accomplished within the relatively short period of 15 months.
- Over time, the funded program should have a significant, measurable impact on the identified need.
- A community must have the ability to manage the grant. Without professional oversight throughout the implementation of the grant, programs which are designed to be the most

competitive will fail. Applicants lacking grants management capacity can develop this capacity through the following:

- **local management** - CDBG funds can be used to support staff positions to administer program operations;
  - **private consultants** - communities may also select private consultants to assist them in administering the grant or a component of the grant;
  - **administering agents and sub-recipients** - CDBG-funded activities may include allocations to specifically designated non-profits and other organizations to carry out program activities.
- Local citizen participation in the development of an application and the monitoring and evaluation of funded activities provide program administrators and elected officials critical feedback on whether projects are meeting local needs.
- Finally, the Massachusetts Small Cities Program encourages applicants to use CDBG funds in innovative ways to address their community and economic development needs. Some creative examples of CDBG-funded projects have been developed by Massachusetts communities.
- In western Massachusetts towns, Small Cities funds help small business-

es through a commercial revolving loan program, which provides financing for expansion or start-up. With the present economic situation, private lenders have been apprehensive about assisting small businesses, particularly those with limited credit history. The communities use Small Cities funds to help these entrepreneurs through management assistance, small working capital loans and job training. These commercial revolving loan programs have assisted bed and breakfast establishments, restaurants and an apple cider producer to purchase new equipment or expand operations.

- A western Massachusetts town received Small Cities funding to help upgrade a sewage treatment plant. The community has opted for an "organic solution" and is working with the Department of Environmental Protection to help solve the problems of odor control, sludge disposal and rising sewer bills. The organic method involves planting phragmites and reed bed systems to absorb digested sludge. This choice is an environmentally conscious and cost effective method for dealing with the problem.
- Small Cities funds have also been used to create and preserve affordable housing. In one Massachusetts town, a 100-year old victorian house was converted into a four-unit cooperative for low-income families. Combined with

financing from the town, local banks and the Massachusetts Housing Partnership's Housing Innovations Fund, the community was able to acquire and rehabilitate this unique and affordable cooperative for the benefit of area residents. In addition, a city on the north shore has joined with a non-profit organization to rehabilitate an abandoned building which will house four families. This joint venture will utilize the limited-equity concept.

- Small business incubator projects have also been funded with Small Cities funds. Small businesses are given the opportunity to rent space and share services such as telephones, copying machines and secretarial support to help start up or expand operations. These incubator projects not only assist small businesses but help create and maintain jobs.
- Playgrounds with handicapped play equipment are an innovative use of Small Cities funds by many communities. Often, members of the communities will donate their time and expertise, while Small Cities funds finance the equipment.
- Cities and towns across the Commonwealth have expanded or retained critical social service delivery programs using a portion of their Small Cities award. These services include substance abuse counseling, adult literacy courses, employment and training programs, assistance to elderly residents (e.g., meals on wheels), violence prevention programs, child and adult day care subsidy programs, visiting nurse services and prevention of teen pregnancy programs. ■

## Updated Strategic Planning Bibliography Available

During its five years of funding, ECOD's Strategic Planning Program assisted communities and regional planning agencies with over 140 projects. Nearly 200 handbooks and technical memos were produced. Detailed descriptions of all of these materials are contained in a recently revised edition of the *Strategic Planning Program Bibliography of Reports*. The grants program was eliminated after FY90.

Reports are listed by subject areas and by communities, allowing readers to search for project information by issue area or geographic location. Communities or regional agencies considering planning activities may find data on similar experiences and approaches useful in shaping their own projects. Project reports include affordable housing plans, natural resource protection strategies and economic development programs. Typical reports describe problems, identify options and detail action strategies including local zoning and bylaw proposals.

The bibliography will be distributed to mayors, boards of selectmen and planning boards in all 351 cities and towns, to planning consultants who were involved with the program and upon request by other interested parties. To obtain a copy, contact ECOD's Office of Planning and Management at (617) 727-3197. ■



Call 1-800-392-6445 for information and technical assistance on Division of Municipal Development Programs.

## Shared Impact . . . Shared Solutions

Development does not occur in a vacuum. What happens in one community affects those around it. This is especially true concerning economic development projects. The physical development consumes infrastructure capacity, creates new jobs, increases the demand for nearby housing and generates traffic—as employees, incoming supplies and outgoing products move through the community. The situation is further complicated when development takes place along or near a state highway.

Such development raises major policy questions. For example, how much state funding should be expended to make a local economic development project feasible? Should this expenditure occur here? It may mean foregoing similar development in neighboring communities, since there is not enough highway capacity for every community to develop to the maximum its zoning may allow. To answer these policy questions requires an inter-locally accepted plan on what types of development will occur, the support network needed to make it work (i.e., water, sewer, roads, affordable hous-

ing, day care, etc.); and on how *all* the impacted communities can share in the benefits of economic development while limiting the problems.

*Marlborough West is a case study of six communities which are grappling with these issues on a subregional basis with the help of EOCD and several other state agencies. EOCD believes that this model, which is still in its earliest stage, is an appropriate way to confront these very complicated issues and reach inter-locally acceptable planning solutions. The Division of Municipal Development can work with communities facing similar development issues which require regional cooperation. If your community wants more information on this Marlborough West case study or assistance in setting up a similar inter-local model, please contact the Division of Municipal Development, (617) 727-3197.*

### Marlborough West Case Study

Almost two years ago, the City of Marlborough and the Town of Southborough received three major development proposals, two in west Marlborough and one that straddles the city/town line. The three proposals raised local, inter-local, state and federal issues because of their size (together they represented more than three mil-

lion sq. ft. of new development) and because they included a proposal to build a new interchange on I-495. A unique Citizen's Advisory Committee (CAC) was established through the state's environmental review process to develop a plan to respond to these proposals.

This group included representatives of the affected communities, the three private developers, three regional and subregional planning agencies, and four state agencies including EOCD. It received \$150,000 from the developers to underwrite its efforts.

The CAC was charged with three responsibilities:

1. to create a long-range transportation plan for the area;
2. to develop long-range land use development guidelines for the area; and
3. to comment to MEPA on development proposals including their consistency with the long-range plans and guidelines.

It was also agreed that the plans would not include the affected communities in their entirety, but would target the existing highway network serving this growing office, research and development center. The study area contains portions of Westborough, Northborough, Southborough and Marlborough. Although Berlin and Hudson do not have any specific parcels in the study area, they abut it and, therefore, were included on the CAC.

In its initial efforts to understand the existing situation in the area, the CAC calculated the amount of current non-residential development, a zoning build-out and the number of jobs, and studied major and secondary traffic intersections.

A key policy decision was also reached by the CAC members. They agreed that well paid job opportunities nearby helped maintain the attractiveness and quality of life in the region, and that future plans should allow economic development, as is occurring in Westborough and Marlborough, to continue in the area. It was also agreed to try to allow for this development without impinging upon the rural/residential character of the surrounding towns.

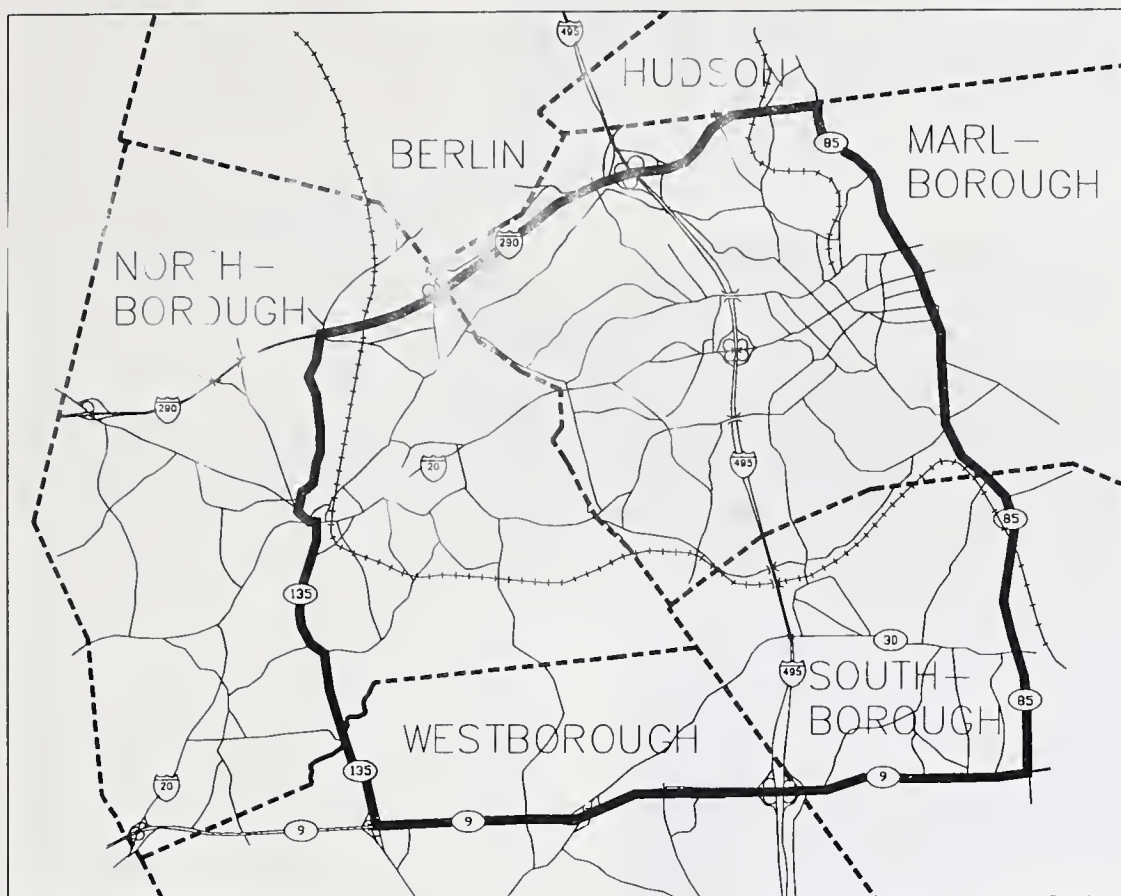
Many factors influenced the planning process as it proceeded. Ad-

## Manual Available on Funding Downtown Revitalization in the '90s

During the 1990s, the development and management of downtowns will be more difficult and challenging than in the past because traditionally available public sector funding is being cut back or in some cases eliminated. Municipalities and downtown organizations will have to become increasingly innovative and entrepreneurial to maintain the kinds of programs and services needed to make their downtowns competitive and healthy. Assisting Massachusetts communities and downtown organizations in meeting these challenges is the intent of a new EOCD technical assistance manual, *Implementing Successful Downtown Development, Design, & Management Programs: Tools and Techniques for Massachusetts Communities*.

This 86-page guidebook provides an overview of the various tools which can be utilized to finance downtown management and development organizations, programs and capital projects. For each tool and technique, we have provided a background and history, primary use, application, potential problems in its application, case studies, a list of contacts and relevant technical literature to assist the reader. Also included, when possible, is its unique application in Massachusetts, the level of effort or expertise required and the initial steps in implementation including the agency which generally initiates the necessary action. A bibliography is also included.

If you would like a copy of this manual, contact EOCD Main Street Program (617) 727-7180. ■



ditional development proposals were submitted which would further impact the area, and the state and national economies began to experience a rapid decline. In order to proceed, these new developers have also participated with the CAC and contributed funding to mitigate the impacts of their developments and implement the transportation master plan.

Despite the economic downturn, the three original developers have maintained their interest in the process and indicated their intentions to proceed. From the outset, each developer proposed project-phasing due to the size of their developments. The economic downturn has had an impact on the time frame for completing all phases of the new development. Project completions will occur later than the originally projected 1996 target date.

Taking into consideration the weakened economy, the consequent slower pace of development, and a conservative estimate for future proposals, the CAC estimated the amount of new commercial/industrial development that will occur by 2010. The CAC then used these projections to develop a long-range transportation plan and land use guidelines that would allow this development to occur in an orderly fashion.

The CAC calculated the impact of this anticipated development based on nationally accepted standards for employees per sq. ft. of space, vehicle trips generated per sq. ft. of space, etc. The result was a significant increase in the number of new jobs. However, the anticipated development would cause further problems with the already overburdened highway network and would require a large number of new housing units, if a desirable jobs to housing ratio of 1.5 jobs to each housing unit is to be achieved.

Needless to say, local representatives on the CAC were concerned that "the world as they knew it was changing." Rural Berlin and semi-rural Southborough did not want their quiet community characters to change, and Northborough did not want more Main Street (Route 20) traffic. Yet the CAC acknowledged that a strong regional economy was beneficial and these proposed developments in Marlborough could be approved, despite opposition of neighboring communities. Without a regional approach, it was likely that such developments could be constructed without sufficient consideration of the impacts on the surrounding towns.

It was therefore agreed to proceed with regional plans that would enable the developments to occur, but require

the developers to provide multiple-community mitigation. The developers agreed to numerous transportation improvements, such as road widenings, donated rights-of-way, signals, sidewalks, etc. However, all these actions entail capital improvements; and the planning process had identified that capital improvements alone would not make future development doable. Other major activities were identified that will require municipal as well as private sector cooperation:

- down-zoning land outside the study area to reserve infrastructure capacity for this targeted development area;
- utilizing numerous transportation demand management techniques and forming a Transportation Management Organization; and
- developing more housing in the six community area to decrease the need for commuting.

Ironically, it was easier to get the private sector to contribute to the construction of public facilities, than to get the public sector to take no-cost actions such as changing its zoning. Political will is more important than funding in making a regional economic development plan work. Therefore, the mayor of Marlborough and the boards of selectmen from the five towns are now reviewing the planning documents, prepared by their representatives on the CAC, prior to endorsing or amending them.

The chief elected officials understand that the second phase of this new cooperative effort is to determine what official organizational structure(s) are needed to ensure the regional economic development plan is actually implemented. They have hired a consultant team to help accomplish these goals. As a further indication of commitment to this regional planning process, additional funding is being contributed by the developers. This case study is especially significant, because it is the first that used the state MEPA process to generate funding for a regional impacts model.

Hopefully, the hard work of the Marlborough West communities will result in a strong partnership that can serve as a model for achieving sustainable development. ■

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Mr. Leonard Adams  
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# MUNICIPAL Impact

April

Executive Office of Communities and Development

1991

William F. Weld, Governor

Kevin M. Smith, Acting Secretary

James R. Malone, Assistant Secretary  
Municipal Division

## Personnel and Attendance Tracking System Available

The first automated human resources software program designed specifically for Massachusetts cities and towns is now available to local officials. The Personnel and Attendance Tracking System has several features.

- It tracks employee attendance,
- It maintains background information about each employee,
- It contains each employee's employment history within the community,
- It generates various reports required by the federal and state government.

A hands-on demonstration of this software was conducted by EOCD staff at the Massachusetts Municipal Association's Annual Meeting and Trade Show in January. The local officials who viewed the demonstration were very enthusiastic, with many placing orders on the spot.

The program software was designed for the City of Everett supported by an EOCD Incentive Aid grant. The program includes written instructions and runs on any IBM PC/AT/PS2 or compatible system that uses the MS DOS Operating System. It is available for \$50 through the Massachusetts Municipal Personnel Association which can provide assistance in implementation. Interested readers can obtain an order form by contacting Ed Donnelly, Municipal Management



*Former EOCD Secretary Steven Pierce discusses new computerized Personnel Tracking System with Municipal Management Specialist Ed Donnelly at MMA Annual Meeting.*

Specialist in EOCD's Municipal Division, (617) 727-3253 or toll free 1-800-392-6445.

The Personnel and Attendance Tracking System has proven very valuable to local policy-makers, department heads and personnel administrators. Over 40 Massachusetts cities and towns have successfully implemented this system. Local officials are able to use the system as a management tool for evaluating absenteeism and its related costs, and for costing out collective bargaining demands. It assists the personnel administrator in maintaining up-to-date personnel records, in understanding the composition of the workforce, in analyzing the effect of proposed personnel policy changes, and in generating accurate personnel reports quickly and with a minimum of effort.

## Employee Data Base File

This file contains a record of each employee which includes home address, emergency contact person, ethnic origin, date of birth, union membership, education, civil service status, salary or hourly wage, and special licenses. The data base can also indicate whether the employee is full-time or part-time, permanent or temporary.

## Employee Attendance File

The system produces a file on each employee's attendance for the current year and separate attendance records for previous years. This file can show at a glance the attendance record of each employee for each day of the current year. It also shows the total number of days absent, whether absences were for one or more days,

*Tracking System—Continued on page 2*

and which day of the week the absence began.

The program improves personnel/time management by producing a report on the severity of absenteeism, a day-of-the-week index which relates absenteeism to specific work days, and an extended time-off index which relates absenteeism to other scheduled time off. All reports can be generated by employee, work unit, agency or total personnel.

### **Jobs Data Base File**

The Jobs Data Base File contains basic information on each employee's current and previous positions with the municipality, including job title, department, starting and current compensation, starting date in the position, and whether the employee was appointed or promoted to the position. There is a record of the employee who is currently filling the position and of each employee previously in the position.

### **Reports**

The personnel and attendance data base enables many reports to be generated to assist municipal policymakers, department heads, finance and personnel administrators. In addition, the system can be used to generate various federal and state reports which communities are required to provide, including the Massachusetts Commission Against Discrimination Quarterly Report, the Massachusetts Department of Personnel Administration Annual Report and the Federal EEO-4 Annual Report. ■

## **Local Bylaws Can Spur Housing That "Counts"**

Communities pursuing strategies to increase the types and affordability of housing often consider zoning changes as part of their approach. Bylaws which allow housing to be built in patterns other than traditional subdivisions, such as attached or multifamily buildings, often impose special permit conditions or inclusionary provisions which require affordable units to be included in the mix. These bylaws frequently address local affordability needs but fail to satisfy the requirements of Chapter 774, the Anti-Snob Zoning Act, leaving the community with gains on one front but no gain on the State level.

When properly drafted, however, bylaws can now incorporate provisions of the recently created Local Initiatives Program which may result in housing which meets a variety of local needs and "counts" toward meeting a community's 10 percent

affordable housing goal under Chapter 774.

The Local Initiatives Program allows state and local actions including state-provided technical assistance and local zoning relief (e.g., granting of special permits, rezoning) to substitute for the traditional subsidy of cash. The program was one result of the conclusions and recommendations of the so-called "774 Commission," a special legislative commission which completed its work in 1989. Changes in the regulations which implement Chapter 774 created the Local Initiatives Program.

In order to be accepted as Local Initiative units, and thus be counted in the affordable housing inventory, the housing must meet certain conditions; for example: tenant or owner income must not exceed 80 percent of the median family income for the region; the units must be covered by a use restriction to ensure affordability over time; and the units must be offered through an affirmative, fair-marketing program. Units created prior to the program's creation may be accepted if they also meet these

### **Costing and Pricing— Revised Edition Available**

"Costing and Pricing of Municipal Services," a 1982 EOCD publication, has been revised and updated. This new edition includes several helpful changes—(1) guidance in developing spreadsheets to facilitate collection and analysis of costing information; (2) an updated appendix on state laws authorizing local fees; (3) improved graphics to illustrate tracking direct and indirect costs; and (4) expanded discussion of pricing strategies instituted at the local level. The publication serves both the policy maker, who must consider the options for pricing a service, and the departments developing cost control or pricing information. We believe that the reissuance of this workbook will aid many communities which are considering the design or revision of cost recovery plans for certain municipal services, such as trash collection, water and sewer services, and recreation programs.

One copy of "Costing and Pricing of Municipal Services" is being mailed to the chief executive in every municipality. Limited additional copies are available which can be obtained by contacting the Division of Municipal Development, EOCD, 100 Cambridge Street, Room 1803, Boston, MA 02202, telephone: (617) 727-3253.

conditions. Communities must apply to EOCD's Office of Private Housing for determinations that the housing created or proposed meets the program requirements. Acceptance of the units makes them eligible to be included in the inventory of subsidized housing.

Program materials, guidelines and application forms were distributed to communities last year. For information and assistance in determining whether your community's housing efforts can use the Local Initiatives Program or on additional aspects of the program, contact EOCD's Office of Private Housing, (617) 727-7824. ■

## EOCD Active at MMA Annual Meeting

At one of his first public appearances as EOCD Secretary, Steven Pierce addressed an audience of local officials at the Massachusetts Municipal Association (MMA) Annual Meeting in January. Secretary Pierce highlighted EOCD's traditional role in working with local government stating, "Advancing the issues of concern to municipal government is integral to EOCD's mission and will receive my serious attention."

EOCD Municipal Division staff were also active participants at this year's MMA meeting, presenting two workshops—"Saving Money Together: Regional Services" and "Capital Budgeting during Fiscal Austerity." The workshop on regional services focused on municipalities working together to provide traditional services, an approach which can result in efficient use of resources. Panelists included Robert Flynn, Executive Director of the Northern Middlesex Council of Governments, Margaret Striebal, Franklin County Commissioner, and

Fred Conley, Town Administrator of Natick. Marilyn Contreas, EOCD's Municipal Policy Analyst, served as moderator. Panelists discussed how to organize regional service arrangements, determine cost sharing formulas, and meet local service preferences. The creation of the first Massachusetts Council of Governments (COG) was also highlighted in this session.

The workshop on capital budgeting focused on identifying capital expenditures which must be made

Concord Finance Director, Daniel Harp, Chairman, Millis Capital Budget Committee, and David Wilkinson, Natick Budget Director. Edward Donnelly, EOCD Municipal Management Specialist, served as moderator.

In addition, Marilyn Contreas, EOCD Municipal Policy Analyst, served as a panelist at a workshop on implementing user fees.

EOCD's booth at the MMA trade show provided an opportunity for conference attendees to inquire about



*Marilyn Contreas (center), Municipal Policy Analyst in EOCD's Municipal Division, serves as panelist for workshop on user fees.*

during times of fiscal austerity (e.g., those required by federal or state law or which could result in near- or long-term savings). Panelists explored when and how municipalities undertake capital budget planning, types of expenditures which are appropriate in fiscally austere times, the capital budgeting process, and strategies used to gain approval for necessary expenditures. Panelists agreed that an annual funding set-aside and a comprehensive screening process were necessary to ensure that essential needs were met. Panelists included Tony Logalbo,

specific Municipal Division programs and technical assistance. Staff from the Offices of Planning and Management, Economic Development, Main Street, and the Massachusetts Small Cities Program were available. There was also an ongoing demonstration of the Personnel and Attendance Tracking System software, which was developed through an EOCD Incentive Aid grant and which is now available. (See related article on page 1.) ■

## New Law Provides Guidance on Local Plans

Massachusetts general law now contains a meaningful definition of a municipal plan. Last year, Chapter 372 revised the statute regarding master plans (Chapter 41, Section 81D) and replaced its minimal definition of a master plan with one that specifies the purposes, elements and functions of contemporary master or comprehensive plans. The previous definition had remained substantially unchanged since passage of the law in 1936.

Although the new Section 81D

retains the requirement for municipal plans, it imposes no penalties for noncompliance. However, Massachusetts general law and court rulings continue to move toward a planning and regulatory system in which communities prepare commonly defined plans in conjunction with local land use regulation. Although the general laws do not clearly link planning and land use regulation, the courts have judged local land use regulation on the basis of local planning, thus establishing a

strong motivation for planning-based regulation. In September, 1990, for example, the Massachusetts Appeals Court upheld a Land Court decision invalidating a Boston zoning amendment. The decisions by both Courts cited a lack of planning in support of the proposed zoning and concluded that zoning that is not clearly supported by planning is vulnerable to legitimate challenges. The Appeals Court ruling stated. . . "zone changes which have no roots in planning objectives. . . are considered arbitrary and unreasonable."

A redefined Section 81D had been under discussion and development for several years. The recently passed Act was originally proposed as part of a 1988 impact fee authorization bill addressing concerns that impact fees be conditioned on completion of a master plan. The long standing definition of a master plan contained in 81D at that time inadequately defined a meaningful plan. Despite the failure of the impact fee legislation, the benefit of updating 81D remained apparent regardless of its connection to other issues. Separate master plan bills were revised and refiled in 1989 and 1990. The version which became Act 372 was filed by Representatives Pacheco (Taunton) and Sullivan (Norwood).

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### **zoning not supported by planning may be challenged**

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The new Act describes the required elements of a master plan, including goals and objectives, land use, housing, economic development, natural and cultural resources, public services and facilities, circulation and an implementation program. The overall plan is a "statement. . . that is designed to provide a basis for decision making regarding the long-term physical development of the municipality."

## Partnership Formed To Train Local Officials

The Massachusetts Division of Water Supply and the Massachusetts Section of the American Planning Association have joined with EOCD's Division of Municipal Development to sponsor five evening workshops in May on groundwater protection. These workshops are for volunteers who serve on planning boards, zoning boards of appeals, conservation commissions and boards of health, as well as the chief executive, local zoning enforcement officer and professional manager.

Over two million people throughout Massachusetts rely on groundwater for their drinking water supply. Since these resources may be vulnerable to contamination, communities must protect local groundwater to prevent contaminants from entering supply wells. This is done by knowing the locations and boundaries of recharge areas (also known as wellheads) and controlling any existing or potential sources of contamination in those areas.

These workshops will provide practical information local officials can use to adopt, implement and enforce local and regional wellhead protection plans. Examples of community accomplishments and intra- and inter-municipal coordination will be presented by local officials who have successfully addressed the issue and avoided costly remediation actions. Information will also be provided on the recently enacted state wellhead protection regulations.

The workshops have been scheduled to accommodate community officials from localities dependent on groundwater for their public water supply. Brochures have been mailed to all local boards; the registration fee is only \$5.00. Coffee and dessert will be provided between 6 p.m. and 7 p.m. followed by the two-hour program. Dates and locations are as follows:

- May 2, Bridgewater, Academy Building;
- May 8, Lanesborough, Town Hall;
- May 9, Grafton, Municipal Building;
- May 16, Greenfield, Franklin County Courthouse;
- May 22, Holyoke, Holyoke Community College.

If you have further questions, please contact Deputy Assistant Secretary Kathleen Bartolini, (617) 727-3197 or 1-800-392-6445.

Among the interesting attributes of the defined plan are requirements that:

- the plan "be internally consistent in its policies, forecasts and standards",
- communities shall "conduct an interactive public process, to determine community values, goals and to identify patterns of development consistent with these goals",
- the land use element "shall relate the proposed standards of population density and building intensity to the capacity of the land available or planned facilities and services", and
- the implementation element "shall specify the process by which the municipality's regulatory structures shall be amended so as to be consistent with the master plan."

Chapter 372 uses general, descriptive phrases which allow local latitude in the level of detail used for each element. The plan is required to contain policies and strategies as well as inventories, which, for example, will provide for a balance of housing opportunities, expand or stabilize the economic base and protect and manage resources. Within a consistent framework, the plans must outline local resources, policies and strategies for municipal development.

The new Act also retains language from an earlier amendment which appears to require communities applying for state grants to have available, at a minimum, an "economic development supplement" indicating municipal goals for industrial/commercial development, affordable housing and preservation of parks and open space. It also appears that a community which completes the goals and policies element of a full master plan will have this information available.

Chapter 372 provides an updated definition within state statute to guide municipal planning efforts. In providing this definition for consis-

tent local planning, another step has also been taken toward fulfilling the recommendations of the Special Legislative Commission on Growth and Change. Among its many proposals, the Special Commission suggested steps to streamline and simplify the planning, zoning and development process including proposed content for local plans. Chapter 372, although not identical to the Special Commission's proposal, is consistent with the intent of its recommendations for local planning standards. Communities engaged in planning and regulation activities now have a yardstick against which they can measure the purpose, form and function of their own planning.

*The revised Chapter 41, Section 81D continues the requirement that communities furnish copies of all plans and amendments to EOCD's Division of Municipal Development, Room 1803, 100 Cambridge Street, Boston, MA 02202. ■*



*Suitable site for HDSP funding under expanded guidelines allowing rehabilitation of mixed-use buildings*

## Housing Funds Available for Mixed-Use Buildings

Beginning with its first grant award in January, 1989, the Housing Development Support Program (HDSP) has provided financial assistance to Massachusetts communities to increase the supply of affordable housing. HDSP is a component of EOCD's Small Cities Community Development Block Grant Program which is available to communities under 50,000 population. "Gap financing" provided by the federally-funded HDSP is utilized in conjunction with other public and private resources. Its purpose is to assist in the creation and/or retention of affordable housing units, the majority of which must benefit low- and moderate-income families.

HDSP guidelines were recently expanded to provide for the rehabilitation of mixed-use buildings to encourage the development of affordable housing in upper-story, vacant or underutilized space. The related upgrading of ground-level commercial space as part of the project is also eligible under the program.

HDSP funding has helped develop federal and state public housing projects, limited equity cooperatives, private rental housing, and first-time homebuyer opportunities. To date, 438 units of affordable housing have received HDSP assistance leveraging over \$11 million in additional funds to support housing projects.

The HDSP application process remains continuous so that projects which are otherwise ready to move forward may receive HDSP consideration in a timely fashion.

For additional information on the program or application process, contact David Lawson or John Curran, (617) 727-0494. ■

# Are Enterprise Zones in Massachusetts' Future?

Enterprise Zones, a concept to stimulate economic development in designated geographic areas, have had some success around the nation since put forth in the early 1980s. The idea is to identify an area that has been bypassed by the "regular market forces," and therefore has a higher than average concentration of unemployment, underemployment, and other signs of economic disinvestment. Once designated, a set of incentives may be offered to businesses that agree to locate or expand in the area and employ residents of the area. Several states have enacted enterprise zone legislation with mixed results.

Enterprise zone legislation has been proposed in Massachusetts every year for the past several years. This year, again, enterprise zone legislation has been proposed; and because of Governor Weld's stated support for the idea, there is a sense that it has a greater chance of being enacted.

Among the bills in this year's legislative hopper, three take quite different approaches to the enterprise zone concept: Senator Lees' proposal emphasizes economic stimulation in designated areas; Representative Pacheco's bill would create "regional recovery zones;" and Representative Fitzgerald takes a planning approach to enterprise zones.

"An Act Encouraging the Expansion of Business in Areas of Substantial Poverty" is the proposal submitted by Senator Lees. Using the same language as the Governor's budget proposal, it provides a variety of incentives to businesses as the motivation to locate in the areas designated as enterprise zones. The program would be administered by EOCD, which would receive applications

from local governments and, after review, would designate no more than six enterprise zones in the state—three in areas of 80,000 or more population, and three in areas under 80,000. Designation is for 10 years.

Senator Lees' proposal includes both financial and regulatory incentives for businesses locating in enterprise zones. Laws relating to land use and licensing, for example, could be "suspended or adjusted" in the zone. In addition, local real estate taxes on new construction or substantial reconstruction could be reduced for six years.

Representative Pacheco's legislation, "An Act Relative To Creating Regional Recovery Zones," proposes that the Secretary of Economic Affairs identify and designate Labor Market Areas indicating high levels of unemployment as zones to receive the incentives of the legislation. Designation is for two years. Within

180 days of designation, all other departments and agencies must submit plans for how their respective agencies will address the objectives of this legislation.

Businesses that locate or expand within the Regional Recovery Zones become eligible for specified tax credits and priority processing for applications under environmental protection laws. In addition, lending institutions making loans within the zones will receive credit under the Community Reinvestment Act.

"An Act Relative To Community Development Enterprise Zones" takes a planning approach to enterprise zones. Representative Fitzgerald's proposal would have local governments prepare community development plans, identifying specific projects to be carried out. After approval by the local governing body, plans would be reviewed and approved by EOCD. Municipalities

## Non-Criminal Disposition Law Amended

The state's District Court Department has issued guidelines for implementation of Chapter 470 of the Acts of 1990 which took effect on March 29, 1991. Chapter 470 amends the procedures for using the non-criminal disposition process to issue fines for ordinance or bylaw violations. Chapter 470 allows the *city or town clerk* to collect the fines for violations, and the non-criminal disposition citation form ("ticket") must indicate that payment be made to the municipal clerk. Citation forms indicating that fines can be paid to the district court *are no longer valid*. For those communities which used the non-criminal disposition process prior to 1991, the new citation forms indicating that payment of the fine is made to the municipal clerk must be approved by the District Court Department. The District Court Department has prepared a sample citation form municipalities can adopt to meet the new requirements of Chapter 470.

EOCD will be revising its publication, "A Guide for Using Non-Criminal Disposition for Bylaw Enforcement," to reflect these changes. For additional information, contact Marilyn Contreas, Municipal Policy Analyst, (617) 727-3253.



*Tisbury Senior Center nears completion. The Center, another project funded under the 1989 MSCP special round, was featured in the October issue of IMPACT.*

could submit joint or combined plans and projects. Designation would be from 15 to 40 years based upon agreements negotiated locally and approved by EOCD.

Incentives to municipalities include state financial assistance of up to 50 percent of the public cost of projects, and authorization to finance the balance through special revenue bonds outside the 2½ debt limit. Local government would be able to establish special assessment, tax incremental, and urban development zones from which to generate special revenues to finance designated projects. Incentives to businesses are real estate tax reductions of up to 50 percent, "below market" land costs, and the provision of public improvements such as streets and sidewalks, water and sewer, and off-street parking.

These bills were heard by the Joint Legislative Committee on Commerce and Labor in early March. We will continue to keep our readers informed on the status of this and other enterprise zone legislation. ■

## Amherst Child Care Center To Open This Summer

The town of Amherst received a \$630,000 grant from EOCD's Massachusetts Small Cities Program under a special round of awards made in late 1989 for infrastructure and community facilities projects. The federally-funded award is being used for a new Amherst Child Care Center. In addition to funds for design and construction, the EOCD grant includes \$38,000 to cover service provider salaries as the center begins operation and \$12,000 for play equipment. The center has also received a \$3,800 grant from the Western Massachusetts Electric Company for its energy efficient design. Designed by the architectural firm of Kitchell and Austin of Amherst, the facility is now 40 percent completed with foundation, utilities, framing and exterior building envelope now in place. Site work and paving are also

nearly complete. The new facility will be open and operating by early summer.

According to Roy Rosenblatt, Coordinator of the Amherst Children Services Department, "The new center will serve 43 children up to 7 years old. Twenty-five of those slots will be for infants and toddlers through 2 years, 9 months." The town of 36,000 has experienced a growing need for day care as its population shifts to include greater numbers of female-headed, single parent, and low- and moderate-income households.

The center is being built on a site donated by the town, near the Wildwood Elementary School which houses the town's special needs program. "The proximity of the Amherst Child Care Center to the Wildwood School will allow for coordination of services to children with special needs whose families are in need of day care," explained Rosenblatt. The site is also adjacent to the Amherst Regional Junior High School, near public transportation, and in the vicinity of a low-income rental housing complex with over 200 units.

The town of Amherst has committed 60 percent, or 26, of the day care slots to families who meet the federal income guidelines for low- and moderate-income. It is seeking eligible families by developing a comprehensive public information strategy including outreach to the community's numerous human service providers. ■

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## Buzzards Bay Compact Signed

On January 11, an important step was taken in the implementation of the first-in-the-nation Comprehensive Conservation and Management Plan (CCMP) for a federally designated "estuary of national significance." The 12 communities abutting Buzzards Bay held a public signing ceremony creating the Buzzards Bay Action Compact. Member communities are New Bedford, Acushnet, Bourne, Dartmouth, Fairhaven, Falmouth, Gosnold, Marion, Mattapoisett, Rochester, Wareham and Westport.

Most of Buzzards Bay's pollution problems result from the impacts of local growth and development. The recommendations in the CCMP are primarily directed at local government because municipalities in Massachusetts have broad authority to plan and manage growth, and because state and federal agencies are unlikely to develop comprehensive programs to fulfill local needs.

The Buzzards Bay Compact document, unanimously voted by each board of selectmen and the New Bedford city council, states that the member communities recognize the serious environmental threat to Buzzards Bay and the consequences affecting both the economy and the quality of life in the region. Since the drainage basin of Buzzards Bay crosses municipal boundaries, it was agreed that regional communication, cooperation and management of the Bay and its watershed were necessary.

The Compact members agreed to review and update local bylaws and regulations to:

- manage nitrogen sensitive embayments;
- protect and enhance shellfish resources;
- control stormwater runoff;

- manage wastes from water craft;
- manage septic systems;
- prevent oil pollution;
- protect wetlands and marine habitat;
- plan for a shifting shoreline;
- reduce/eliminate toxic pollution;
- manage dredging and disposal of dredged materials.

The Buzzards Bay Project began in 1985 when Congress designated it "an estuary of national significance." The project is jointly administered and funded by the Mass. Executive Office of Environmental Affairs through the Mass. Office of Coastal Zone Management and the U.S. Environmental Protection Agency. EOCD has served on the project's Management, Technical Advisory and Local Advisory Committees. ■

## Historic Preservation Conference Scheduled

EOCD is again a co-sponsor for Historic Massachusetts Inc.'s Annual Preservation Conference. The conference is titled "Held in Trust: 1890's Legacies, 1990's Challenges: The Landscape Vision" and will focus on preserving cultural and historic landscapes. This year's topic was chosen to celebrate the anniversaries of organizations with special achievements in this area—the centennials of the Trustees of Reservations and the Metropolitan District Commission, and the 25th anniversary of the National Historic Act.

The conference will be held on May 3 and 4 at Boston University. If you are interested in further information, call Amy Hiestand at Historic Mass. Inc., (617) 723-3383.

## EOCD and APA Sponsor Annual Conference for Planners

EOCD's Office of Planning and Management is working again with the New England Chapter of the American Planning Association to convene a major conference for Massachusetts and Rhode Island planners. This year's event will be held June 12 at the Ramada Inn in Auburn.

The focus will be on CHANGING . . . Policies, Plans and Programs. Both states have had a marked change in their overall economies, particularly relative to real estate development and the banking industry. Both states have also seen major changes in their constitutional, legislative and administrative offices. The conference will enable federal and state officials to speak to planners about the changes in policies they have brought to their offices and how these new policies will affect ongoing or new planning efforts and implementation programs.

Also, the federal government has proposed or recently passed major new legislation (e.g., the National Affordable Housing Act, new air quality laws and proposed national highway system). The conference will discuss how these bills can help Massachusetts and Rhode Island with their economic recoveries. Separate tracks on housing, economic development, transportation and environmental resources are planned in addition to plenary sessions.

Both Governor Weld and Governor Sundlun have been invited to keynote this important day-long meeting. Announcements will be mailed in late April. Please plan now to attend on June 12. ■

## Total Quality Management—Improving Quality While Reducing Costs

The EOCD's Division of Municipal Development has been instrumental in forming the Massachusetts Task Force for Public Sector Total Quality Management. This Task Force was created at the request of local officials who attended a state-wide conference on Total Quality Management (TQM) for cities and towns, sponsored by EOCD and the Massachusetts Community College System in October, 1991.

Total Quality Management is a model developed by the private sector to make business more competitive while improving the quality of its products and services. Total Quality focuses on the *customer*, defined as anyone with whom you interact. In the public sector, there are "external customers" (i.e., voters, taxpayers, interest groups, unions, businesses), and "internal customers" (i.e., supervisors, co-workers, and employees supervised).



*Kathleen Bartolini (center), EOCD Deputy Assistant Secretary, works with Total Quality Management Task Force.*

*Quality* is achieved when the needs of the *customer* are met or exceeded. TQM focuses on the *processes* used to achieve the organization's goals, rather than on *personalities*. In cities and towns across the nation, there are examples of TQM approaches that have achieved cost reductions and dramatic increases in quality.

The Task Force is composed of municipal and school officials, consultants, representatives from labor and

industry, and EOCD staff members.

GOAL/QPC, an international leader in total quality management research and training located in Methuen, has offered to support the Task Force with training materials, facilitators, and other assistance.

The Task Force has been meeting monthly since January. The first sessions were devoted to identifying issues to be addressed which include the following:

- to promote the concept of the taxpayer as a *customer*;
- to define and explain TQM in public sector terms;
- to help create an environment which will enable TQM efforts to occur;
- to identify what local government needs to achieve *quality*.

Additional information on TQM or the Massachusetts Task Force for Public Sector Total Quality Management may be obtained from the Municipal Division, EOCD, 100 Cambridge Street, Room 1803, Boston, MA 02202, (617) 727-3253 or 1-800-392-6445. ■

### Charter Proposals on Local Ballots

Several towns will be considering the question of home rule charter adoption at their annual 1991 spring elections. Stow, Eastham, Maynard, and Wayland will have charter adoption votes, while Swampscott voters will consider a major revision to the town's present charter. The Wayland and Maynard commissions were elected in 1989, while the others took office in 1990.

In addition, voters in the town of Lee will vote on acceptance of a special act charter which creates a town administrator position. This special act was enacted by the state legislature in 1990.

The Division of Municipal Development provides information and assistance to charter commissions, government study committees, and local officials examining options for local structural change. Please contact Marilyn Contreas, Municipal Policy Analyst, (617) 727-3253, for additional information.

## Business Improvement Districts— New Legislation for Downtown Development

With the decline in federal and state funding, new entrepreneurial approaches to economic development are being sought by state and local government. A recent legislative initiative may provide communities with the means to address economic development issues in their downtown and neighborhood business districts. Senate Bill 39, which allows for the establishment of Business Improvement Districts (BIDS), was introduced into the 1991 legislative session by sponsors from across the Commonwealth. The legislation was filed at the urging of the Massachusetts Central Business District Association with the support of the Massachusetts Municipal Association, and a growing number of communities interested in developing a mechanism to assist downtown and neighborhood business districts.

The proposed legislation defines a Business Improvement District as a specific geographic area that would receive additional services and improvements which could include streetscaping, security, maintenance, common marketing, event promotions, small business assistance and business recruitment. The services and improvements would be funded through assessments or fees paid by the district's business and property owners to the local government. A BID would be created through a petition process of the municipal government at the initiation of business and property owners within the specified area. The petition would include a district improvement plan which describes the boundaries of the proposed district, outlines the additional

improvements and services to be provided, designates a management entity, and defines a specific assessment formula.

The improvement plan and the day-to-day management of the BID are the responsibility of the designated district organization comprised of representatives of the local business and property owners. The municipal governing body is responsible for holding a public hearing, approving or rejecting the petition to form the BID, collecting and dispersing funds and fiscal oversight. The enabling legislation also establishes a petition process for the dissolution of the district if the business and property owners perceive there has been insufficient benefit.

The petitioners and the subsequent BID management entity can set their own assessment or fee structure, within limits set by the legislation, and based on need and preference.

Although BIDs are new to Massachusetts, they have been used in more than 32 states, including Maine, Connecticut, Vermont and New York. Experience from across the country has shown that BIDs can stimulate reinvestment in ailing business districts by providing downtowns with a powerful tool for organizing and addressing their ongoing needs.

BIDs could represent an important economic development financing mechanism for Massachusetts municipalities and their downtown and neighborhood business organizations. For additional information, please contact Gary Ferguson of the Massachusetts Central Business District Association, (508) 521-5108.

EOCD Main Street staff will con-

tinue to track legislation that impacts business districts in Massachusetts communities. ■

## Final Policy on Private Sewerage Treatment Facilities Certified by MEPA

Municipal IMPACT has been reporting on the effort to formulate an official state policy on the utilization of private sewerage treatment facilities (PSTF) in Massachusetts.

To formulate this policy, EOCD participated with several state and quasi-public agencies to produce a Generic Environmental Impact Report (GEIR) on the use of this technology. A citizens advisory committee (CAC) assisted with the policy deliberations; and the Metropolitan Area Planning Council provided staff support to this interagency effort, officially called the Sponsors Group. In developing the PSTF policy, the Sponsors Group worked to ensure it coincided with the state's existing pollution prevention policy. Also, a consulting team headed by ICF, Inc. was selected to examine three major issues: (1) PSTF technology and its environmental impacts; (2) legal, financial and institutional issues; and (3) land use implications.

*In January, 1991, the GEIR process was concluded, the report was accepted by the Secretary of Environmental Affairs through the MEPA process, and the state's PSTF policy was established. This article summarizes the basic policy position contained in the GEIR. For more detailed information on this issue,*

readers can contact EOCD's representative on the Sponsors Group, Deputy Assistant Secretary Kathleen Barry Bartolini, (617) 727-3197.

## **PSTF State Policy**

The new state policy is that PSTFs are an appropriate, and in some cases, the preferred wastewater disposal technology for all but the most sensitive and valuable environmental resource areas.

The GEIR studied how the PSTF functions mechanically and in relation to its physical setting, e.g., slopes, high water table, etc. In its analysis, the consultants determined that the technology was sound, worked better than traditional septic tanks and in general was an environmentally acceptable solution.

However, since the Sponsors Group acknowledged public concerns about potential human error in operating the facilities, mechanical defects and unforeseen problems, the final policy prohibits use of PSTFs in the "most sensitive" environmental resource areas. These include barrier beaches, floodways, velocity zones, rare and endangered species habitats, and officially delineated portions of aquifers/watersheds directly affecting drinking water supplies.

Thus a local board confronted with a development proposal placing a PSTF in a "most sensitive" area could deny that scheme and require location of the PSTF elsewhere on the site. If the natural features of the site make it impossible to avoid these areas, then the plan could be denied entirely.

Under the new state policy, PSTFs are the preferred treatment when replacing failed septic systems, when allowing for clustered development to save open space and farmland,

and when directing growth to areas where support facilities already exist, e.g., schools, sidewalks, public transportation, playgrounds, etc., to avoid associated growth costs.

## **Multiple Ownership**

One remaining problem is the long-term public enforcement of operation and maintenance requirements when a PSTF is owned by multiple parties. The MEPA certification on PSTFs includes a request that the Sponsors Group and its CAC remain intact to draft legislation regarding multiple-ownership of PSTFs. Until this is accomplished, PSTF technology can be used only by a single-owner entity, e.g., condominium association, office building, industry, etc.

## **Impact on Community Character**

The most controversial aspect of PSTF utilization has been its impact on land use or community character. Many communities fear the increased densities that PSTFs allow as compared with the use of septic systems. The final GEIR strongly supports planning as the tool to protect community character as opposed to local board of health bylaws prohibiting PSTFs or restricting them in such a way as to make them economically infeasible. The GEIR states, "there is no reasonable environmental or public health justification for prohibiting PSTFs everywhere in a community." It explains that home rule powers also carry responsibility; however, existing state laws provide tools such as special permits, overlay districts, transfer of development rights, etc., with which communities can fulfill their responsibility to plan

for PSTF use, protect community character, and guide the location and density of growth.

The GEIR also recommends and the MEPA Certificate calls for an amendment to Chapter 40A, the state Zoning Act, to clarify that PSTFs would be allowed in any residential zone. Currently, the use of PSTFs in a residential zone can be circumvented because they are not a residential structure. However, it is the state's policy that all residential units require wastewater treatment; therefore, the type of treatment (publicly owned treatment works, septic tank or PSTF) is ancillary to the permitted use.

As stated, the Sponsors Group and its CAC are to continue to function in order to clarify further policy, regulatory and legislative issues. The MEPA Certificate also calls for this GEIR to be updated by January, 1993, including progress on implementing DEP regulations and progress made in enacting new or amended legislation to ensure PSTFs can safely operate in Massachusetts. ■

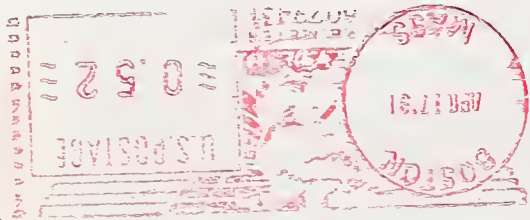


**Call 1-800-392-6445 for information and technical assistance on Division of Municipal Development Programs.**

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Executive Office of Communities and Development  
100 Cambridge Street  
Boston, Massachusetts 02202



William F. Weld, Governor

Mary L. Padula, Secretary

Roger Provost, Acting Assistant Secretary

## EDSA Helps Start-Up Company in West Boylston Overcome Credit Crunch

The beginning of the 1990s brought with it a popular topic of discussion—the American banking crisis. It was not uncommon to hear about commercial banks being closed, sold or “taken over” by the FDIC. The commercial bank credit crunch and changes in the venture capital industry have drastically reduced the availability of financing for smaller businesses. What the staff of EOCD’s Economic Development Set-Aside (EDSA) Program have seen, however, is a growing use of innovation among Massachusetts companies that are finding dollars to be tighter and customers to be more conservative. In one particular case, this innovation was combined with an entrepreneur’s willingness to risk starting his business during this economic downturn.

Carl Newman, President and owner of Superior Plastics Extrusion Co., Inc., has over 25 years of experience in the plastics industry. In the last half of the 1980s, Newman saw a window of opportunity which he decided to seize when his former employer, Koro Corporation, abruptly shut down operations in Hudson, MA, and laid off all its employees. As the former Sales Manager at Koro Corp., Newman understood the importance of having the proper manufacturing equipment which could incorporate recycled plastic as well as virgin plastic beads as a raw material in the production process. If Newman could finance the purchase

### To Our Readers

For the past five years, the Executive Office of Communities and Development has published Municipal IMPACT primarily for local government elected and appointed officials. During this time, we have strived to provide our readers with information on a wide range of topics which affect municipal government, as well as on the programs and services which are available from EOCD. Each issue of IMPACT covers municipal management, planning, community and economic development activities.

Such activities include information on and how to participate in EOCD funded programs, taking advantage of technical assistance resources, scheduled training and workshop events, local case studies of successful and/or innovative projects supported by EOCD, information on legislative and state initiatives with potential impact on municipalities, and the availability of EOCD and other publications, technical assistance handbooks, software, etc.

Municipal IMPACT has also served as a vehicle for providing current information to local officials on a variety of municipal management topics and keeping planning board members and others informed on the progress of local, regional and state-wide growth management and environmental issues.

As we begin a new fiscal year, EOCD will be combining the resources of the former Neighborhoods and Economic Opportunity and Municipal Development Divisions to serve the neighborhood and social action groups operating locally and our municipal constituency. This linkage should help to promote improved coordination of EOCD programs and resources. We will be continuing our outreach efforts to all officials and organizations using EOCD programs, and are most interested in your ideas on how we can best serve you. Although resources will be limited in the year ahead, the energy and commitment of our staff remain strong. ■

and set up state-of-the-art equipment, he would not only be able to manufacture plastics at a competitive rate, but would be able to market his more environmentally sound products to businesses previously served by Koro Corp. and throughout the Northeast and mid-Atlantic regions. In addition, this new business would provide new employment opportunities for a portion of the workers who had lost their jobs in Hudson.

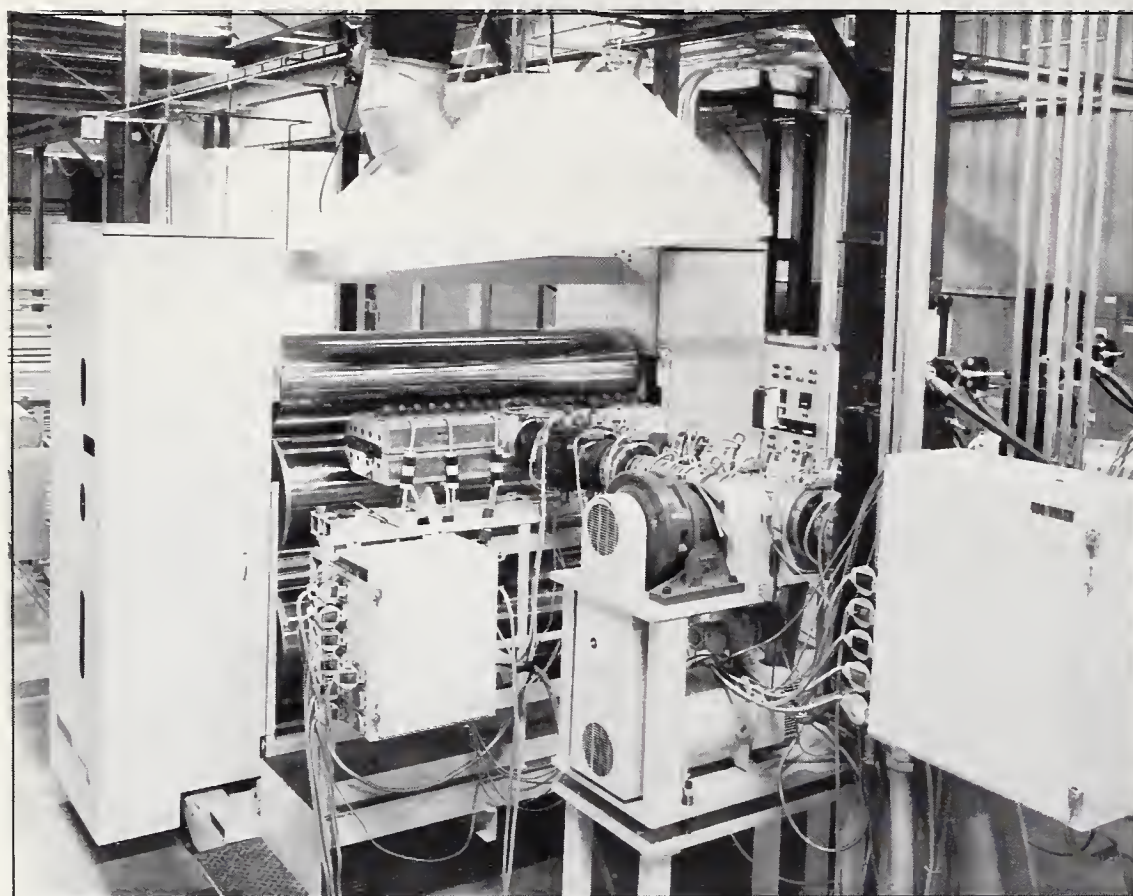
#### EDSA able to fill financing gap

An equipment finance company was willing to underwrite the cost of the equipment and its installation.

The Small Business Administration (SBA) provided a loan guarantee which enabled the Bank of New England—Worcester to provide the start-up company with a small working financing capital term loan. But, despite the equity that Newman was also able to bring to the deal, there was still a need for additional equipment and working capital to get the company off the ground. It was this financing gap of \$450,000 that EDSA was able to fill, thus ensuring employment of at least 27 people over a period of three years.

The EDSA grant also engendered a productive relationship between Superior Plastics Extrusion, Inc. and

*EDSA—Continued on page 2*



*EDSA assisted Superior Plastics in financing its capital equipment needed for start-up*

*EDSA—Continued from page 1*

the town of West Boylston, the new company's chosen location. The site is perfect for the company due to the concentration of other plastics companies in the nearby Leominster area, known nation-wide as the leading area for plastics technology; and the town is delighted with the long-term employment opportunities for local citizens. EDSA regulations require that at least 51 percent of the people that Newman hires will be of low- to moderate-income. This is no problem for Newman, who has found a wealth of well trained, hard working and experienced workers who have been laid off from other plastics industry jobs. "Our interaction with the community has been great," says Newman. "We've developed a nice working relationship with all the agencies in the town whose services are necessary to starting a business. We've developed a real partnership."

Chuck Hudson, the town's Executive Assistant, feels that Superior Plastics has gone out of its way to be a good corporate citizen. All water used in the company's production cycle is recycled back through the

system. No toxic chemicals are emitted in the process and no toxic chemicals are created, stored or disposed of on the property. The company also installed equipment to reduce the dust level in the factory along with larger than necessary gear boxes on all pieces of equipment which help to reduce the noise created in the process. Superior Plastics makes sheets of plastics of varying thickness which are used to make anything from packaging for medical supplies to toys to food service dispensers. Plastic beads and/or reground (recycled) plastic are processed into flat sheets of any color that the customer requests. The company not only purchases recycled raw material but also makes sure that all plastic scraps trimmed from the final product are melted down and recycled in-house.

From the perspective of EOCD, the Superior Plastics grant was the ideal example of a public/private partnership. The EDSA funds were able to assist in leveraging \$150,000 in short-term working capital from the Bank of New England—Worcester, as well as the total equipment and equity financing of \$1,473,700. Conversely, the bank was also pleased with the

EDSA financing which, according to Dave Perry, Vice President and District Manager at the bank, was essential to the start-up of this company. "EDSA helped put together a loan package that would not have happened otherwise. As a result, 27 people will have jobs in West Boylston in this difficult economic environment," Perry said.

Carl Newman, in describing his company's banking relationship during the credit crunch, reports, "The bank has been very cooperative. It's possible that we have an advantage as a start-up company. The bank doesn't have a history with us that would cause them to pull the loan; so they're sticking with us, knowing that we have sufficient working capital financing available through our EDSA loan."

The Economic Development Set-Aside Program is assisting many small- and medium-sized Massachusetts firms with their financing needs during this difficult period. For more information on EDSA, contact David Weiss, Director, or Heather Danton, Assistant Director, (617) 727-7180. ■

## Award Presentation

Recently, EOCD's Donald J. Schmidt was presented the 1991 President's Award by the City Solicitors and Town Counsels Association in recognition of Don's contributions to municipal law and effective government in Massachusetts. In honoring Don, the Association noted that his expertise in land use matters and his constant willingness to assist municipal counsel made him a most deserving recipient. As many of our readers know, Don Schmidt is EOCD's expert on land use, who provides assistance to cities and towns on zoning and subdivision laws and regulations. Don is also the author of the technical publication, *Land Use Manager*.

Congratulations, Don!

# New Round of Small Cities Funding Available

EOCD is pleased to announce a new round of the Massachusetts Small Cities Program (MSCP), with \$26,538,000 in federal Community Development Block Grant (CDBG) funds available to Massachusetts cities and towns. In these times of constricted financial resources, the MSCP is a flexible source of funding to assist eligible cities and towns in addressing their critical community and economic development needs and in developing programs to benefit low- and moderate-income households. Eligible grant recipients are the 320 Massachusetts municipalities with populations under 50,000 or those not designated "entitlement" communities by HUD. This year's MSCP fund will consist of three components:

- Community Development Fund—formerly the General Fund,
- Economic Development Set-Aside Program (EDSA), and
- Housing Development Support Program (HDSP).

## Community Development Fund

The Community Development Fund is the largest and most flexible component of the Small Cities Program. It is budgeted at \$23,806,040 for the upcoming program year, and it is anticipated that approximately 40 grants will be awarded.

Communities can apply to the Community Development Fund to implement a variety of community development activities. Local officials are encouraged to develop innovative programs that are cost effective, and administratively feasible within a 15-month grant period, to address locally identified community development needs. There are four types of MSCP-eligible project activities:

- housing rehabilitation and related activities,
- infrastructure and public facility improvements,
- economic development, commercial renovation and downtown partnerships, and
- public/social services.

Communities may submit single-purpose applications requesting funding for one activity, such as housing rehabilitation or commercial facade renovations. Funding may also be requested for multi-purpose applications encompassing a variety of activities such as property acquisition, housing rehabilitation, economic development, and public/social services.

EOCD will reserve \$1 million of the Community Development Fund allocation to continue to provide supplemental "Bonus Funds" for exceptional program performance. Grantees maintaining a high level of program performance are eligible for an additional 15 percent award, plus administrative costs. The bonus can be used for any eligible CDBG activity.

The upcoming round of MSCP funding is different in several significant ways from previous years.

- Applicants are required to develop comprehensive community development strategies to address local problems. Documentation must be submitted identifying community development needs and either (a) all possible resources for addressing these needs or (b) a reasonable time-frame for the preparation of a community development strategy.
- The maximum award to any one community is increased from \$800,000 to \$1 million to allow communities to undertake both comprehensive and large-scale projects (e.g., water or sewer

improvements, neighborhood facilities). Grant awards below \$100,000 may only be made for activities such as downtown partnerships and small business planning.

- A municipality may apply for funds as a participant in a joint application with other municipalities AND/OR submit its own application. In this way, a community may submit one or more applications while not exceeding the \$1 million funding cap for any one community. This change allows a community to participate in both regional and local-specific programs.
- The Main Street and Feasibility Study Programs are no longer separate program components. EOCD considers community economic development to be critical during this time of economic downturn, high unemployment, and business loss and is giving these activities priority. The Community Development Fund's eligible community economic development activities have been expanded to include feasibility and planning studies (e.g., market and impact analysis, site engineering, financial evaluation), the hiring of downtown managers, technical assistance and support for downtown organizations, as well as small business loans and sign and facade improvements.
- EOCD recognizes the importance of public/social services for low- and moderate-income persons, particularly given the significant reductions in state-supported services. Therefore, single-purpose applications for public/social

*Funding Available—Continued on page 4*

services activities are now eligible for funding. In addition, the funding cap of 15 percent for public/social services has been eliminated for individual grant programs. Eligible activities include day care services, drug/alcohol counseling, fuel assistance, emergency food and shelter services, literacy training, and services for pregnant and parenting teens.

## Economic Development Set-Aside

The Economic Development Set-Aside (EDSA) Program remains a principal tool for local economic revitalization, with \$3.8 million available as a result of program income generated from previous EDSA loans. This component assists communities with major, single-purpose economic development projects involving industrial, commercial, service, real estate or mixed-use projects. (See article on EDSA-funded start-up company in West Boylston on page 1 for more information on how the EDSA Program works.)

## Housing Development Support Program

EOCD will continue to encourage the development or retention of affordable housing projects through its Housing Development Support Program. Under this component,



CDAG-funded roadway construction at Westover Airpark North

\$2 million will be provided to assist communities to support the development, improvement, and retention of public or private housing that is affordable to low- and moderate-income persons. Site-specific project activities eligible for funding include substantial rehabilitation of residential structures, homeownership initiatives, special needs housing, reclamation of abandoned properties and properties threatened by abandonment, the provision of necessary infrastructure improvements, the conversion of underutilized or obsolete structures into housing, acquisition, site preparation, and demolition. (See article on Worthington project on page 10 for additional information on HDSP.)

For more information, contact EOCD's Small Cities Program, (617) 727-0494. ■

## CDAG Funds Help Create Jobs at Westover A.F.B.

When the April 1991 issue of *New England Business* featured an article on successful economic development activities at Westover Air Force Base, EOCD's Community Development Action Grant (CDAG) staff was pleased, but not surprised. CDAGs awarded to Chicopee in recent years have assisted the city and Westover Metropolitan Development Corporation (WMDC) in bringing Sundor Brands and Dennison Stationery Products to Airpark West and Airpark North at the base.

Since being formed by the legislature in 1974, WMDC has worked closely with the Massachusetts Government Land Bank, Massachusetts DPW's Public Works Economic Development (PWED) Program, the Massachusetts Aeronautics Commission, and EOCD's CDAG Program to create approximately 2,000 acres of prime, affordable industrial sites on surplus federal military land in Chicopee and Ludlow. Tenants at the facility (including the Stop and Shop Companies, Ludlow Technical Papers, and the Massachusetts Municipal Wholesale Electric Company)

| MSCP PROGRAM                        | RFP NOTICE ISSUED | APPLICATION DUE |
|-------------------------------------|-------------------|-----------------|
| Community Development Fund          | June 1991         | September 1991  |
| Economic Development Set-Aside      | July 1991         | Continuous      |
| Housing Development Support Program | August 1991       | Continuous      |



*Leonische of America facility while under construction*

have created over 2,500 jobs, helping to lessen the impact of defense cuts at Westover.

The city of Chicopee and WMDC first approached EOCD in early 1988 with a request for \$825,000 in CDAG Program funds to support Sundor Brands' relocation to Airpark West. Sundor, a division of Proctor and Gamble, is a manufacturer of juice products whose lines include Lincoln Foods. Prior to Sundor's commitment to construct a 120,000 square foot manufacturing facility and warehouse in Chicopee, improvements needed to be made at the city's wastewater treatment plant so that it could handle the waste discharge generated by Sundor's juicing process. With the CDAG-funded completion of those improvements and the upgrading of the water and sewer systems serving Airpark West, Sundor was able to begin its operation in early 1989. The firm has since added another 100,000 square feet to its facility.

When Chicopee and WMDC applied for \$1,000,000 in CDAG funds in late 1988, Dennison Stationery Products, a division of Avery-Dennison, was finalizing plans for a 300,000 square foot manufacturing plant at Airpark North. The infrastructure to support such large scale development was not in place at

Airpark North at that time, so the CDAG Program was asked to support the construction of an access roadway and associated utilities. All the CDAG funded public improvements have been completed and the Dennison facility is fully operational. In addition, Leonische of America, a copper wire manufacturer, has recently completed construction of a 60,000 square foot facility on a parcel adjacent to Dennison. Leonische, a subsidiary of a German firm, is the first foreign entity to locate at Westover and, it is expected, will be the first of many.

The CDAG Program is proud to have played a role in WMDC's successful redevelopment of Westover and in numerous other development projects across the state. The CDAG Program funds the construction of public roadways, water and sewer lines and similar public works projects in support of private development activities that create or retain employment and affordable housing opportunities and revitalize distressed areas. Since its creation in 1981, \$82.5 million in CDAG Program commitments to over 150 projects in 70 municipalities have helped create 25,000 jobs and 6,000 housing units in Massachusetts cities and towns. ■

## Spring 1991 Local Elections: Home Rule Charter Activity

Several towns considered the question of charter adoption or revision at their spring, 1991 elections. The towns of Stow, Maynard, Northbridge, and Eastham adopted home rule charters, while the charter proposal in Wayland and the charter revision on the ballot in Swampscott were defeated.

The adopted charters share several similar features, including retention of the open town meeting, the creation of town administrator/manager positions, a requirement to develop a capital improvement plan, and inclusion of a recall provision. In addition, the Stow, Northbridge, and Maynard charters create screening committees to select candidates for the town management position and include procedures allowing the reorganization of local agencies through bylaw adoption. Maynard requires that a code of ethics be established, applicable to all elected and appointed officials and employees; the Stow charter sets parameters for the development of a master plan.

With the addition of these four communities, 69 cities and towns in the Commonwealth now operate under home rule charters.

The towns of Truro and Sturbridge elected commissions this spring to begin the process of charter preparation. This is the first such effort for Truro, while the Sturbridge commission will be considering the revision of a home rule charter adopted in 1987.

For additional information on procedures for charter adoption, please contact Marilyn Contreas, Policy Analyst, (617) 727-3253. ■

# HOME and CHAS— Components of New Federal Housing Act

New federal housing legislation gives Massachusetts an opportunity to rededicate itself to the development and preservation of housing which is affordable to its low- and moderate-income residents. The Cranston-Gonzalez National Affordable Housing Act of 1990 offers the promise of new funding for housing and community development, as well as a new intergovernmental partnership.

The two centerpieces of this legislation are the *HOME Investment Partnership* and the *Comprehensive Housing Affordability Strategy* (CHAS).

HOME is a source of funding allocated to states and larger localities by formula. Jurisdictions receiving a HOME allocation may create their own program, may assist rental or homeownership housing, and must provide matching funds. HOME funds may be used for housing acquisition, rehabilitation, site improvements, or, in certain circumstances, new construction. HOME funds are for housing which serves low-income families, elderly persons, or persons with special needs.

The CHAS is a new federal planning requirement. It is intended as a central source of housing needs data, information on housing finance resources, and overarching priorities to guide the use of federal housing funds and matching funds.

HOME and CHAS signal the beginning of new approaches to housing and community development by the federal government. More emphasis is placed on state and local planning, program development, and priority setting; and more responsibility is shifted to state and

local government, including the responsibility to share the cost of housing and community development efforts. The Housing Act requires states and localities to address special housing needs, housing in the context of neighborhood revitalization, and the housing needs of rural areas.

## Background and Authorization for CHAS and HOME

States and localities (as entitlement recipients) which wish to remain eligible for most federal housing and community development programs must prepare a Comprehensive Housing Affordability Strategy (CHAS). This planning requirement was signed into law on November 28, 1990, as part of the Cranston-Gonzalez National Affordable Housing Act. The state-level CHAS must include information on statewide housing needs, as well as needs by geographic regions, identify federal and non-federal resources to address these housing needs, declare interest in participating in programs authorized by the Housing Act, and establish affordable housing investment priorities. These priorities will guide the use of federal housing funds, as well as any non-federal funds required as a match. Furthermore, the CHAS replaces two other plans required by the federal government: the Housing Assistance Plan (required for participation in the Community Development Block Grant program) and the Comprehensive Homeless Assistance Plan (required for participation in the McKinney homeless assistance program).

Currently, Congress is preparing the budget for federal FY 1992. The National Affordable Housing Act authorized nearly \$2 billion nationwide for HOME funds for FY 1992. If,

as expected, Congress reduces the appropriation from the \$2 billion authorized to approximately \$1 billion, Massachusetts may expect to receive approximately \$27 million in HOME authority—an estimated \$11 million in state-level funding, and \$16 million for larger localities. The Commonwealth must provide between \$9 and \$13 million in matching funds.

## Massachusetts CHAS

The Executive Office of Communities and Development (EOCD) was designated as the Commonwealth's agency responsible for preparing the state-level CHAS and implementing housing and community development programs authorized by the Housing Act. The state-level CHAS will cover most Massachusetts communities.

Massachusetts CHAS 1992–1996 will set affordable housing investment priorities for the next five years. These investment priorities will guide Massachusetts' use of federal housing funds, as well as state-level matching funds. The draft CHAS 1992–1996 must be made available for a 60-day public comment period, prior to a formal public hearing. The draft CHAS should be available for comment this summer, and EOCD will be seeking comments from municipalities covered by the state-level CHAS.

CHAS and the National Affordable Housing Act signal a departure from the historic relationship between HUD and state government. The Act encourages HUD to ease burdensome reporting requirements, and to permit maximum flexibility in the use of federal funds. Also, CHAS creates new opportunities for states and localities to participate with HUD in developing the process for awarding federal funds allocated on a competitive basis. These proposed projects, which might be sponsored

by developers or community-based non-profit groups, must be reviewed for consistency with CHAS. If a project is located in a local jurisdiction with a CHAS, the locality would perform the review using its own CHAS. In other communities, EOCD would determine whether the project was consistent with the state-level CHAS.

HUD has developed a draft CHAS handbook for localities which includes detailed worksheets. In addition to the assistance provided by HUD, localities may contact EOCD for information on the CHAS process, (617) 727-7765.

### **Consortium Outreach, Development, and Approval**

One way to increase the federal HOME allocation to Massachusetts is through the formation of consortia of local governments. Approved consortia are considered local governments, and HUD will include them in the national allocation formula for local jurisdictions under HOME. A CHAS must be completed covering the communities within the consortium. A group of local governments must notify HUD of its intent to form a consortium, and the state will certify that the consortium will direct its activities to alleviate housing problems within the state.

EOCD will coordinate its efforts with HUD to maximize Massachusetts' participation in the programs authorized by the National Affordable Housing Act, and will work to ensure that investment priorities articulated in the CHAS are reflected in the review of projects submitted for HUD approval. ■

## **Stoneham Receives Main Street Grant Award**

At a May 31 ceremony, Acting EOCD Secretary Kevin Smith announced the award of a \$50,000 Main Street grant to the town of Stoneham. The Main Street Program grant enables the town to develop a comprehensive approach to downtown revitalization. In addition to funding, staff from EOCD and the National Main Street Center will work closely with town officials, the Stoneham Community Development Corporation, and the local business community to assist in developing and implementing downtown revitalization strategies. The grant, funded with federal Small Cities Community Development Block Grant funds, includes \$30,000 for a local, full-time staff person to coordinate revitalization efforts and \$20,000 for technical assistance during the first year of the program. The program is designed as a three-year start-up program with the local public and private sectors

covering operating costs and contributing an increasing share of all program costs during the second and third years. By the fourth year, the entire downtown revitalization program should be locally funded.

In its application, Stoneham demonstrated a high level of local commitment—both financial and organizational—spending over a year on active preparation for the program and providing a \$21,500 local match. During these difficult economic times, EOCD is pleased to be able to assist locally based economic development efforts.

(It should be noted that the Main Street Program has now been integrated into the new Community Development Fund component of EOCD's Small Cities Program. Non-entitlement communities may apply for funding to participate in downtown revitalization projects and downtown partnerships.) ■



*Presentation of Stoneham's Main Street Award. Left to right: Rep. Timothy O'Leary (D-Melrose), Sen. Richard Tisei (R-Wakefield), EOCD Acting Secretary Kevin Smith, Board of Selectmen Chairwoman Elaine Moore, Stoneham CDC President Dale Halechack*

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## EOCD Funds

### "Project Homeownership" in Plymouth

Community-based groups, working with non-profit housing development organizations and local governments, can expand affordable housing opportunities in their neighborhoods. Through coordinated public and private efforts, housing initiatives suited to an area's lower income families may be designed and implemented using federal Community Development Block Grant funds from EOCD's Massachusetts Small Cities Program (MSCP). Such joint ventures, combining local talents with public funding, have made affordable housing available in many communities.

The town of Plymouth is utilizing a portion of its MSCP award to increase homeownership opportunities for its low- and moderate-income residents. Capitalizing on the slow real estate market, the Plymouth Community Development Office has contracted with the South Shore Housing Development Corporation, the regional non-profit housing agency serving Plymouth and Bristol Counties, to administer Project Homeownership.

Under Project Homeownership, low- to moderate-income potential homeowners are offered two basic forms of assistance—a downpayment subsidy and homeownership technical assistance. The technical assistance includes information on available mortgage resources, help in locating and inspecting suitable property for ownership, assistance with household budgeting and training on how to manage and maintain property. The homebuyer assistance subsidy is financed as a deferred payment loan for up to \$6,000 or one-half of the estimated downpayment cost. The loan principal and three percent interest will be recaptured by the town when the property is sold

or transferred. The town plans to fund a minimum of ten buyer-assisted loans using a total of \$60,000 in MSCP funds under a first year demonstration effort.

Eligible recipients for Project Homeownership must be low- to moderate-income residents of Plymouth who meet HUD income guidelines. The Plymouth Community Development Office determines eligibility based on income and credit history.

Project Homeownership has now begun its homebuyer assistance. Earlier this year the first local family successfully applied for and received a three percent downpayment loan and technical assistance in purchasing a three-bedroom, two-bath, \$100,000 home in West Plymouth. Using \$5,000 in savings, the loan program matched the family's savings for downpayment assistance. Working with the Community Development Office, South Shore Housing, a local bank and an area realtor, the family was able to obtain a 30-year mortgage and move into their home in May.

As part of the overall effort to increase homeownership opportunities for low- and moderate-income households in Plymouth, South Shore Housing is also working with local lenders to develop alternative mortgage programs that address the most significant obstacles under current programs. South Shore Housing's program also offers counseling to income-eligible households facing the financial difficulties of potential mortgage foreclosure.

In creating Project Homeownership, the town of Plymouth designed a program which recognizes that long-term homeownership is best supported not merely by financial aid, but also by assistance in locating

property that is affordable, in decent and sanitary condition, and that is within the means of the buying household. In doing so, the town hopes to avert for these potential homebuyers the dilemma now facing many of their income peers who own property but cannot afford to maintain it—the foreclosure cycle.

The town of Plymouth's Project Homeownership is an innovative example of how Small Cities funds may be used to benefit a community's low- and moderate income residents by providing an opportunity for long-term homeownership.

If you would like more information on Plymouth's Project Homeownership or other similar programs, please contact EOCD's Small Cities staff, (617) 727-0494. ■

### **Bibliography Requests Outpace Staff Resources**

The unexpected volume of requests for Strategic Planning Program project reports, as listed in the recently released Strategic Planning Program Bibliography, has resulted in delays in processing requests and filling orders. IMPACT readers who have requested reports should be assured that their requests will be filled as quickly as staff resources will allow. Readers requesting videotapes should understand that tapes are provided on loan and must be returned to allow others to view them. Please bear with us as we try to accommodate the need for these reports. ■

# Cape Cod Policy Plan up for Final Review

A year after the voters of Barnstable County approved the Cape Cod Commission Act, the Cape Cod Commission has drafted and revised a Regional Policy Plan and submitted it to the County Assembly of Delegates for review and adoption. The one-year timeframe is consistent with the requirements of the Act. The Assembly of Delegates, Barnstable County's 15-member legislative body, will review the Policy Plan, hold hearings and by mid-July either adopt the plan or return it to the Commission for restudy and redrafting.

The purpose of the Plan is to profile a coordinated set of planning policies and objectives to manage growth and development and protect Cape Cod's resources.

The Plan serves both planning and regulatory functions. As stated in the Plan's introduction, it establishes review and regulatory policies, provides direction as to the standards that the Commission will require and identifies, "key resources of regional concern that may deserve special recognition and protection."

The Plan was developed through an extensive drafting process involving Commission members and staff, a separate Regional Policy Plan Advisory Board (composed of public and private, local and regional agencies and organizations), representatives from Local Planning Committees (local, multi-board committees) and the Governor's Committee (representing State agencies). These participants also gained input from a survey of Cape Cod residents (2,400 questionnaires distributed to 4,000 residents) conducted by Clark University and several series of public meetings held to receive comments on drafts and revisions.

The Plan proposes an overall



growth policy for Cape Cod, examines issues, establishes goals and policies and proposes performance standards to be used by the Commission in review of regionally significant projects. Additional review standards are proposed for use by local boards in review of projects. Further, Commission and local actions are proposed which further the goals of the Plan through other regulatory and planning-related actions.

For example, in addressing the issue of affordable housing the Plan outlines three main goals—promotion of affordable housing with a minimum target of 10 percent of each town's stock by the year 2000, promotion of equal opportunities in housing, especially considering the needs of people deemed most vulnerable, and support and encouragement for innovative strategies to address Cape Cod's housing needs. Each of the three goals carries minimum performance standards such as:

- Residential construction of 10 units or more shall provide at least 10 percent of the units as affordable;
- Renovation and reuse of existing structures shall be the primary means of providing affordable housing;
- New seasonal developments shall

make provisions for employee housing.

These standards will be used by the Commission when reviewing projects that fall within its jurisdiction. Additional recommended policies and actions follow these minimum standards statements, for use by other local reviewing agencies.

Other issues examined include land use/growth management, natural resources, economic development, community facilities and services and historic preservation/community character. Each issue area includes minimum performance standards and series of recommended policies and actions for local and regional agencies.

Until final action is taken on the Regional Plan, specific points and details are still subject to revision. For more details on aspects of the Plan, proposed goals, policies and standards, contact EOCD's Office of Planning and Management, (617) 727-3197, or the staff of the Cape Cod Commission, (508) 362-3828. ■



Call 1-800-392-6445 for information and technical assistance on Division of Municipal Development Programs.

## Hazardous Waste Facility Moves into Study Stage

A hazardous waste facility proposed for Orange, MA, has moved into the environmental and socio-economic impact study process. The proposal, under review by the Hazardous Waste Facility Site Safety Council and the MEPA unit of the Executive Office of Environmental Affairs, was granted a "feasible and deserving" determination by the Council in November 1990. EOCD is a member of the Council.

On May 8, 1991, the Council approved a scope of work detailing the necessary content of a socio-economic impact study, which must be conducted, in addition to the environmental impact study required under MEPA. Together the studies form a total project impact report detailing the effects of the proposed project and any proposed mitigation measures. The studies serve as the basis for a negotiated site agreement between the host and abutting communities and the project proponent, should the process reach the site agreement stage.

This project follows on the heels of the Clean Harbors, Inc. hazardous waste incinerator proposal for Braintree, MA. After a three-year process the site proposed for the incinerator was deemed unsuitable by the Massachusetts Departments of Environmental Protection (DEP) and Public Health, and the project was not undertaken.

The proposed facility in the town of Orange, sought by Recontek of Massachusetts, would recover metals from sludges and wastes generated in metal finishing and electronics industry processes. The plant, which would employ approximately 130 people, is designed to process 45,000 tons per year; Massachusetts currently generates approximately 200,000 tons of hazardous waste per year,

which is shipped out of state for treatment. Although the Massachusetts DEP has issued a report stating that it has no reason, so far, to find the proposed site unsuitable, the impact reports will examine a variety of issues of concern, including the relationship of the site to local and regional water supplies, the transportation routes to be used for bringing wastes to the facility, the proximity of the regional high school, and possible impacts on local municipal services.

The study process requires the proponent to produce protocols for portions of the impact assessment,



*The Maples in Worthington—completed Phase I units*

describing in advance and for review the proposed methodology for examining aspects of the project. This process is expected to take approximately one year including protocol review and approval, submission of impact reports and public review and comment periods.

Further information regarding the process, the project, and its progress may be obtained by contacting Mark Siegenthaler of EOCD's Office of Planning and Management, (617) 727-3197, or by contacting the Hazardous Waste Facility Site Safety Council staff, (617) 727-6930. ■

## Worthington Awarded HDSP Grant

A Housing Development Support Program (HDSP) grant of \$195,931 has been awarded by EOCD to the town of Worthington to assist with construction of ten housing units for elderly and handicapped persons.

The HDSP is a component of the federally funded Massachusetts Small Cities Program (MSCP) and provides "gap financing" to create affordable housing for low- and moderate-income persons.

Known as The Maples, Phase II, the project will be developed and owned by Worthington Senior Housing, Inc. (W.S.H.), a local, non-profit development agency which has donated the 4.5 acre site. Phase I consists of 12 units and was completed by W.S.H. in 1985.

Project financing includes a low-interest loan from the HUD 202 Program, which includes a rental assistance subsidy to ensure that the units will remain affordable for at least 20 years. HDSP funds will be used to pay for utilities installation and site preparation which HUD's budget was unable to cover.

Located among the Hampshire County "Hilltowns," Worthington has a population of fewer than 1,200 people. This project was made possible through the hard work of local townspeople concerned with the growing needs of the area's elderly population.

For further information concerning the HDSP, contact David Lawson or John Curran, (617)727-0494. ■

## Local Government Considers Privatization

What is "privatization"? We hear so much about it lately. What are its advantages? Are there any disadvantages? What types of municipal services are best suited? How extensive is it becoming? Is it limited to larger communities, or can small towns also benefit? These are some of the questions being addressed by local officials contemplating the privatization of local government.

### What is Privatization?

*Privatization* is defined as the shifting of a governmental activity or asset from the public to the private sector. There are primarily three types of privatization:

- *Contracting for services* is the most common type and includes activities such as building and street construction, street sweeping, snow plowing and refuse collection.
- *Contracting for the construction and/or acquisition and operation of wastewater treatment plants, solid waste and recycling facilities, parking garages, and recreation facilities* is a second category.
- *Sale of assets to the private sector* is only rarely used, and usually involves the sale of vacant land, or

unused schools or other municipal buildings and equipment to developers.

### Commonly Privatized Services

A 1987 national survey conducted by Touche Ross, the International City Management Association and the Privatization Council identified the following services as the most common candidates for contracting out: (1) solid-waste collection or disposal; (2) building and grounds maintenance; (3) vehicle towing or storage; (4) administration (e.g. legal, accounting, payroll, collections); (5) traffic signals or street lighting; (6) data processing; (7) street and road maintenance (including snow removal); (8) operation of recreation programs, parks, convention centers, stadiums, or cultural activities; (9) transit or transportation services; (10) hospitals, health care, or emergency services; (11) elderly or handicapped services; (12) airport management; (13) public safety or corrections; (14) utilities (including meter reading); (15) housing or shelters; (16) parking lots or garages; and (17) child care or day care.

### Massachusetts Examples of Contracting and Privatization

Most Massachusetts communities contract at least part of their snow removal and most of their street and building construction. Many contract their solid waste collection and disposal, building and grounds maintenance and payroll preparation. Some communities contract out many services. For example, the City of Everett contracts out trash collection, custodial services, towing, emergency dispatching, weights and measures, risk management, school lunch program, school vision and hearing

testing, and dental care for children. Lynn contracts its school lunch program and ambulance service, and Peabody its street sweeping and roadside grass cutting.

There are also examples of successfully privatized municipal facilities. Taunton privatized its wastewater treatment plant about ten years ago, and under the initial agreement each employee affected was offered a position with the contractor. Salem privatized its municipal hospital last July; New Bedford is privatizing its wastewater treatment plant and the municipal golf course; and Springfield has privatized its civic center, just to name a few.

### Considerations for Successful Privatization

Before contracting out municipal services or facilities, local officials should analyze a number of issues. The most important considerations include the following: Are there competitive contractors available and interested? Can the private sector provide the service at a lower cost? What are the direct and indirect costs associated with privatizing a service? Are there adequate service measures to judge and assure the contractor's performance?

Local officials should contact other communities with experience in contracting for or privatizing the service under consideration. In addition to providing advice, these communities may also have sample requests for proposals, bid specifications and contracts which they can share.

For further information on privatization, contact Ed Donnelly, Municipal Management Specialist in EOCD's Municipal Division, (617) 727-3253 or toll free 1-800-392-6445. ■

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